

INSTITUTE OF GOVERNMENTAL  
STUDIES LIBRARY

MAY 20 1985

UNIVERSITY OF CALIFORNIA

## OAKLAND



## Central District Development Program

Phase 2  
April 1985

## Introduction

The City of Oakland, under the guidance of the City Council, has embarked on creating a new development plan for its downtown. Entitled the Central District Development Program (CDDP), the new plan is developing a strategy for attracting appropriate development to Oakland. Such a strategy is to include:

- o Methods for attracting a larger share of the Bay Area's office, retail and entertainment market
- o Proposals for open space and streetscape improvements
- o Priorities for new redevelopment actions including housing, shopping facilities and office projects
- o Revisions in downtown zoning
- o Proposal of a minority equity policy and program

- o Revisions to the street circulation and parking program
- o Recommended urban design guidelines for use in reviewing new downtown buildings.

The study is now in the second of three phases. Phase I resulted in the identification of current Central District issues and opportunities. A summary of the findings from Phase I is listed in the following section of this report.

The purpose of Phase II, and this report, is to present the City Council, interested citizens and organizations, City departments and other governmental agencies with alternative strategies for developing and managing the Central District.

This report has been prepared with the desire that many interested people will study its findings and make their opinions known on how they want the Central District to develop. The alternative development strategies that are described in the report present three possible investment emphases, each of which combines and schedules the many different types of needed

improvements that can be made within the projected City's financial resources. The reader is invited to offer suggested changes to the various components and will have such ideas considered as the final plan, which is to be prepared in Phase III of the CDDP.

This report is broken into several sections. The first section discusses some of the current downtown conditions to provide a background for the different alternative development/management strategies. The second section describes the methods and approaches used in formulating the different strategies. Next, the report indicates the basic improvements (e.g., sewers, street improvements, employment training) and policies that the City should enact regardless of particular development program it selects. The fourth section lists the various features of a retail, housing and office component of a potential development strategy, each of which would vary according to differing objectives. The fifth section outlines and evaluates three investment strategies, all of which have development consequences. The final section indicates the readers' role in the next stages of the CDDP.

## The Central District Today

Situated in Alameda County, the fastest growing county in the Bay Area, Oakland and its Central District serve as a regional center for the East Bay. More intensely developed than any other East Bay city, Oakland has in its Central District a concentration of development and support services which is clearly urban, yet has few major constraints to future growth. The Central District is well connected with the regional transportation network, including the BART system, with two stations along Broadway, the Central District's spine. These characteristics make Oakland eminently suited to absorb a larger share of the Bay Region's growth as both San Francisco and the surrounding urban centers

experience more and more obstacles to urban growth.

## Office Market

In recent years the Central District has assumed a larger share of the region's office market, growing annually at a rate of 5.2% or 215,000 square feet between 1980 and 1985. This represents the fastest growth rate since the post-war boom. In addition to the current 8 million square feet supply of office space, there is another 9 million square feet under construction or planned. The Central District would have to

nearly triple its current annual absorption rate to fill this space over the next 15 years. Even at an optimistic rate of 400,000 square feet per year, build-out and full occupancy is over 24 years away. Furthermore, 10% of the existing office space is vacant. With over 2 million square feet of new and rehabilitated office scheduled for completion in 1985 alone, public action is necessary to bolster the Central District. Rather than making an effort to gain additional office development, the City should undertake a bold program to accelerate absorption by attracting new tenants to its downtown.

## Retail Market

Historically, Oakland's downtown has served both as a local and regional shopping destination, but has experienced a steady decline in retailing in recent years. With Oakland residents spending as much as 40% of their retail spending power outside the City, Oakland's per capita sales of shoppers' goods has dropped below the state average. The cause is not a lack of buying power but an underserved trade area. The City stands to benefit from increased sales tax revenues and jobs, as well as a more active and vital downtown, if this trend can be reversed. The City's current efforts are focused on development of a major regional retailing complex which, if successful, would also improve the office and housing development climate. With so much at stake, the plan should be strongly supported as long as the regional center happens soon enough and is truly regionally oriented.

## Housing Market

Although Oakland as a whole realized a net gain in housing units during the 1970's, the Central District experienced a net loss, due in part to the construction of the I-980 freeway. This trend has since been reversed since the start of 1980, thanks to large infusions of public money, resulting in a net gain of 735 housing units. However, losses due to demolition, conversion and relocation of structures continues to be problematic, particularly where residential hotels are concerned. Anticipated losses of state and federal funds for housing will trigger another downturn in housing production unless the City is able to fill the gap with direct subsidies and/or programs to stimulate the production of housing by the private sector.





## Land Use & Physical Form

The Central District is loosely structured with land uses concentrated intermittently along major transportation routes or near physical amenities:

- Office and retail uses along the Broadway Spine
- Residential and civic uses along the lakeshore and channel
- Industrial uses along the Nimitz Freeway, Highway 17

The only other major concentration of housing and retailing occurs in Chinatown and the surrounding residential area adjoining the Civic Center. Isolated pockets of residential development, largely fragments of the City's 19th century neighborhoods, lie scattered throughout the remaining area. Contemporary commercial buildings survive only in the Old Oakland areas west of Broadway along Ninth Street.

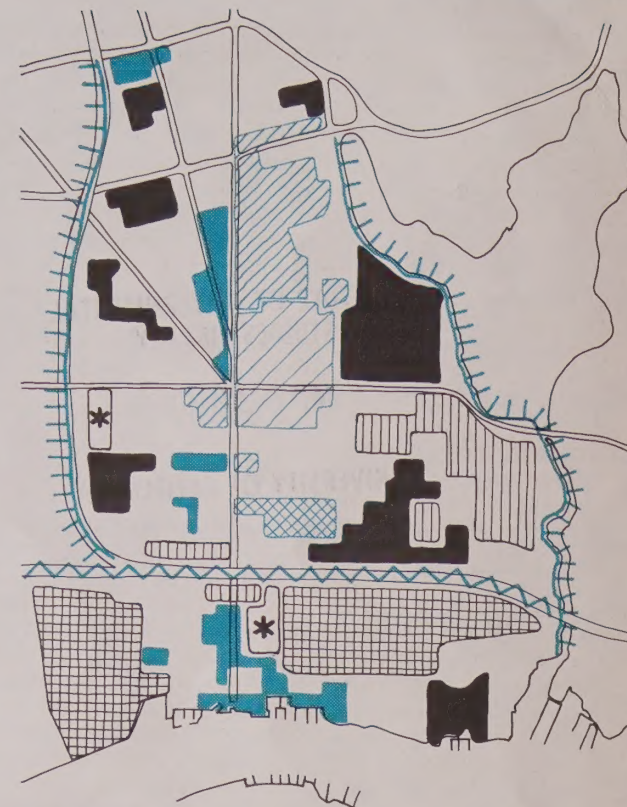
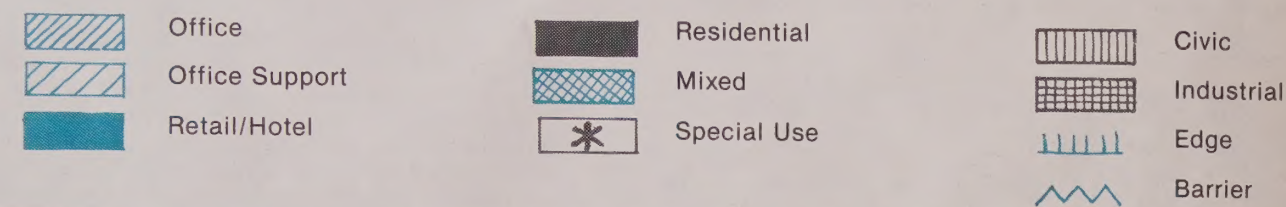
This land use pattern was established early in the century, with few significant changes since then, notably:

- Expansion of office uses north and eastward, beginning with the development of the Kaiser Center
- Establishment of a loosely knit Civic Center south of Lake Merritt

- Redevelopment of the early 20th Century retail corridor along Clay Street for the City Center Project, originally to include a major retail complex, now slated for office and housing
- Disruption and isolation of older residential neighborhood west of Broadway due to construction of I-980.

The Central District is constrained from expansion along the eastern and southern edges by natural barriers, but an ample area for growth remains within its boundaries. The John B. Williams Freeway (I-980), though depressed below grade, is perceived clearly as the western edge and acts as less of a visual and physical barrier than the elevated Nimitz. Despite these natural and man-made edges which limit points of access, the Central District is well connected to the rest of Oakland and the Bay Area via a well functioning local and regional transportation network.

### Dominant Land Use Patterns & Physical Form Determinants



## Opportunities for Growth

Three factors affect the ability of the Central District to grow:

- Capacity of existing infrastructure
- Market conditions and demand
- Availability of suitable development sites

Of these three, the first is deemed most critical in limiting the Central District's ability to grow over the next 15 years.

### Infrastructure

Four components to the City's infrastructure represent constraints to development in the near term: the sewer system, the transportation system, the school system, and the system of

pedestrian amenities. The sewer system's capacity, due to faulty trunk lines, must be improved regardless of projected levels of development to correct existing problems. The transportation system should be improved to function more efficiently at current development levels, and requires expansion in key areas to handle projected development. Increased residential development will necessitate expansion of Central District school capacities if the population of families increases measurably. The fourth component includes the system of parks, plazas and street trees that make for a hospitable pedestrian environment. Though perhaps not a limiting factor physically, the lack of amenities is presently a strong disincentive to development.

### Market Conditions

The amount and type of growth which Oakland can attract to the Central District is a function of the regional and local market demand. The City could do much more to attract its fair share of the regional market in all three sectors: office, retail, and housing. The rate at which currently planned office projects are completed depends on the success of the City's efforts to attract new tenants. The amount and type of retail development hinges on the City's ability to finance the planned regional retail center. Improving the attractiveness of downtown as an integral part of the City's housing development program will help to improve the climate for residential development by the private sector.

### Opportunity Areas

During Phase II of the CDDP a variety of physical indicators were used to identify sites within the Central District which are susceptible to change in the near future. By and large these sites are vacant, underused, or non-conforming with regard to surrounding land uses. Aggregated, they comprise distinct areas of opportunity for which a range of suitable land uses was defined according to several characteristics:

- Location relative to other land uses
- Accessibility to the transportation network
- Presence or lack of amenities

The key development opportunities in the Central District include office, retail, residential, mixed-use and support services.

#### Office Development Opportunities

The Lake Merritt Office area with its combination of lakeside amenities and accessibility to I-980 has grown rapidly in recent years. Several new highrises, amounting to over 1.3 million square feet of space, are currently under construction. Development proposals totaling nearly 3 million square feet have been approved for most of the remaining opportunity sites in that area.

The remaining office growth will be directed to the City Center area, particularly the twelve-

block redevelopment area west of Broadway where nearly one million square feet of office space has been completed since the project's inception. In addition to the building presently under construction, the approved development plan calls for more than 4 million square feet of office space along with specialty retail and 600 units of housing. Since uncommitted sites are few in both the City and Lake Merritt, office areas and planned projects in these areas alone meet even the most optimistic projections of demand, additional development opportunities for office space are limited here and elsewhere.

#### Retail Development Opportunities

Although the proposed development at Jack London Square will include nearly 200,000 square feet of retail space, that project cannot fill the gap left by the attrition of several major department stores in the City Center North area. A major opportunity for development of retail spaces still exists here and is greatly enhanced by the area's accessibility to the transportation network, in particular the BART system and the newly completed Grove-Shafter Freeway. However, only a major retail center or mixed use complex would capture Oakland's potential share of the regional market. Beneficial spin-offs would include strengthening the remaining retail uses in the area, more active and lively downtown streets, and a better environment for future office and housing development. This opportunity may be lost if funds are inadequate to develop it in a bold and timely manner.



## Goals & Objectives

An appropriate development and management strategy for the Central District should array the various opportunities for growth against an explicit set of goals and objectives. The first phase of the CDDP identified such goals and objectives which can guide the framing of alternative strategies. These goals and methods of achieving them are summarized here.

#### Strengthen the Central District as a Major Administrative, Retail and Entertainment Center of the Region.

- Promote a mixture of uses, more varied within single use districts and more balanced overall.
- Focus the location of new office development and major mixed use projects to designate areas, eliminating them from others.
- Bring more people downtown both day and night by encouraging residential development wherever possible and entertainment uses at key activity areas: Broadway, City Center and the Waterfront.
- Develop an active and attractive pedestrian network to link major activity centers with a variety of types of pedestrian places.

#### Encourage Growth Within the Limits of Historical Continuity and Environmental Quality.

- Promote the rehabilitation and adaptive reuse of historically and architecturally significant structures.
- Identify the boundaries designated and potential historic districts and establish design guidelines for rehabilitation and new development.

Opportunities to strengthen other sectors of the retail market exist in a number of areas, but depend on complementary uses, either office or residential, which generate pedestrian traffic. This is particularly true along the Broadway spine, especially those segments not adjacent to BART stations. Areas which would benefit from a synergistic retail development strategy are those adjacent to the Old Oakland and Chinatown areas in City Center South. An appropriately scaled residential/commercial development near Old Oakland would complement the retail uses scheduled for the Old Oakland project and the existing scale and architectural character of the area.

#### Residential Development Opportunities

Scattered sites for housing and complementary convenience retail exist throughout City Center West, City Center South, Chinatown, and Lake Merritt South which, when aggregated, are not inconsequential. The greatest obstacle to developing housing in these areas appears to be land cost, although relative to what the market will bear, the problem is less severe west of Broadway. Here, the amenity of the Lake and services such as schools and public transportation are more readily available. A few sites for infill housing exist in the Lake Merritt Residential area but these tend to be underdeveloped rather than vacant.

Major housing opportunity sites can be found in the Broadway North area, as well as the Embarcadero and Waterfront areas. The area east of Broadway and north of Grand Avenue is conveniently located with respect to both transportation and new office developments and could capitalize on the amenity of the Lake to attract residents. The Embarcadero area with its mix of older warehouse lofts and vacant sites along the Channel affords opportunities for additional housing both through adaptive reuse and major new projects. The waterfront and open space amenities and the existing nucleus of residential and commercial development along the eastern Waterfront establish the vacant sites in this area as prime candidates for new housing.

#### Mixed-Use Opportunities

An ambitious three-block mixed use project is already planned for the City Center South area to complete the Chinatown Redevelopment Project. The program includes several major office buildings and/or a hotel in addition to 200 units of housing, some retail, and community facilities. However, the demand for housing and small retail shops in Chinatown is so great that the area could support a similar project scaled down to exclude the office space.

The Embarcadero and Waterfront areas, already mixed in character, present opportunities for a balanced mix of uses which could be achieved through reuse of obsolete industrial buildings and sensitively designed new projects. Obstacles to development include the barrier set up by the Nimitz Freeway and the two rail lines

which parallel it. The importance of these lines and their spurs to industries within the Central District has diminished over time, yet the maintenance of at least one through railway is vital to the operation of neighboring shipping terminals. The Embarcadero area is under mounting pressure for commercial office development despite the presence of viable industrial uses and ample opportunities elsewhere for office growth. Regulatory obstacles to unify the Waterfront with the rest of the Central District are not limited to land use policy, but include jurisdictional overlaps between the City, which regulates development of the Embarcadero, and the Port, which controls the Waterfront property. Close cooperation between the two entities and a strong commitment to a unified development program are necessary to ensure the ultimate success of individual development projects undertaken in either area.

Unlike Lake Merritt, the Oakland Estuary has not been fully enhanced as an amenity. Rather, this extension of San Francisco Bay has been developed as a major shipping channel under the auspices of the highly successful Port of Oakland. Shipping-related industries, though strung along the length of the Estuary, are largely absent from the Central District Waterfront. Despite more intensive commercial development of the Waterfront over the past decade, and plans for a retail/hotel development at the foot of Broadway, prime sites remain to be developed while others are not developed to their full potential. In addition to more intense commercial use, the potential for recreational and residential use of the Waterfront is tremendous. However, physical and regulatory barriers must be overcome. Services and amenities needed to support residential development must be provided and conflicts between industrial, commercial and residential uses and traffic should be minimized as essential first steps.

#### Support Services

The segment of the Broadway North area between Telegraph Avenue and Broadway contains few short-range opportunity sites except those along Broadway and Grand Avenue. The area houses a concentration of automotive service shops and a few sales outlets. Although these activities are not directly linked to the Central District's role, they contribute to the economy and viability of the City, particularly in providing blue-collar employment. The area is likely to change slowly, with automotive uses replaced by office support services.

The eastern portion of the City Center area currently plays this supporting role. This district, composed of older low- to mid-rise office buildings and scattered parking facilities, houses the smaller commercial service businesses which require proximity to the Class A high-rise tenants. A number of opportunity sites exist here, as in the North Broadway area, to expand office support services and provide additional parking for office tenants.

- Consider the development capacity of the Central District in light of environmental and infrastructural factors including shading of streets and open spaces wind effect, sewer and transportation system limitations.

#### Protect and Enhance Stable Residential Communities in the Central District.

- Provide economic and physical incentives to stimulate new housing development from market rate to affordable, to serve a full range of population groups.
- Promote market rate housing development in major opportunity areas, such as Lake Merritt North, the Embarcadero and Waterfront.
- Develop infill housing to stabilize and reinforce existing neighborhoods and enhance them by inclusion of needed services and amenities.

- Protect existing single room occupancy hotels in the Central District.

#### Strengthen the Retail Function of the Central District.

- Encourage the development of a major regional retail center in the City Center North area.
- Promote the inclusion of ground floor retail space throughout commercial districts, particularly along Broadway and other major pedestrian routes.

#### Change the Image of the Central District.

- Clarify a widely supported vision for the future growth of the Central District and develop a clear set of management tools for its implementation.



### Opportunity Areas





- o Reestablish Broadway as a visually exciting and active corridor, enhancing the landscape to complement its architectural resources and its role as a major transit corridor.
- o Link development centers along Broadway and those on either side with strong visual and pedestrian connections back to the spine.
- o Develop a visual identity and strong design theme for architecturally and functionally distinct areas within the Central District.
- o Adopt an aggressive marketing strategy for the Central District, and support programs to implement it, geared to attracting tenants as well as developers.
- o Give priority to projects which will most enhance the image of the Central District.

#### Share the Benefits of Growth

- o Develop and implement a firm social equity policy using performance criteria periodically reviewed and adjusted to reflect demographics.
- o Support educational and job training programs keyed to the changing needs of Central District businesses.
- o Protect existing blue collar industries and encourage developments which provide entry level employment opportunities.

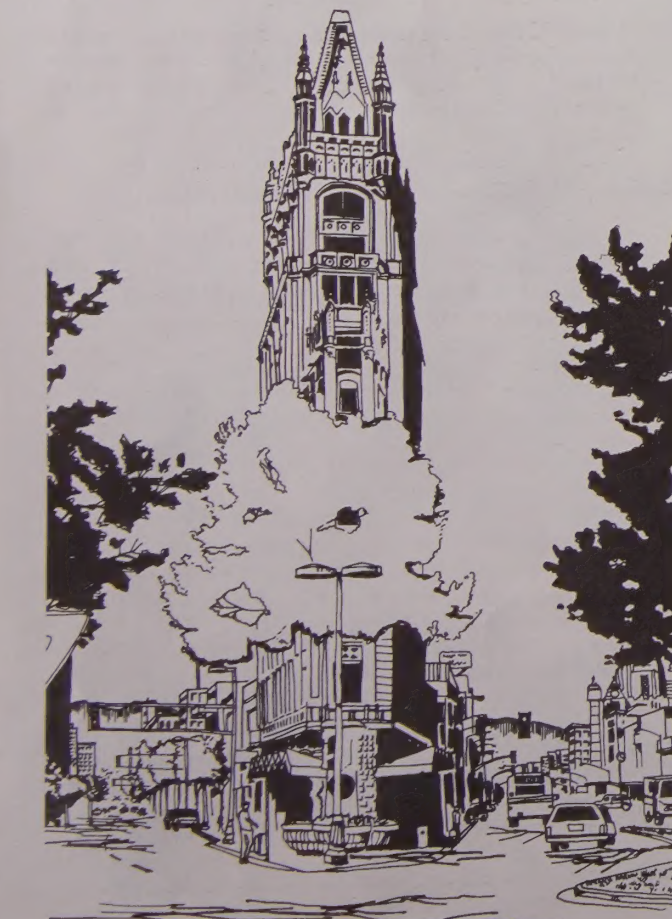
## Land Use Framework

Capitalizing on the Central District's growth opportunities requires that the City implement a three-part development and management strategy to include:

1. a land use framework with clearly articulated policies,
2. maintenance and provision of infrastructure to ensure environmental quality, and
3. a public investment strategy maximizing the leverage of public investments on private development projects.

These last two elements are discussed in the next section: Formulating Development Strategies.

As reflected in both existing and planned developments, the pattern of land use in the Central District is set and continues to be reinforced by new growth. There are a number of potential investment strategies for shaping the Central District, each of which fits equally well into a single land use concept. In short, a single, overall land use pattern makes sense for downtown Oakland in light of the relationship of opportunity areas to existing infrastructure, circulation and transportation systems, and past, present, and probable future development trends.



#### Integrate Central District Transportation Systems

- o Develop a transportation policy for the Central District based on a clear strategy of enhancing development opportunities and better serving existing centers through circulation improvements and improved local transit service.
- o Implement a comprehensive program of traffic management using signage, landscaping and street and sidewalk improvement to clarify a functional hierarchy of movement through the Central District for autos, service vehicles, transit, bicycles and pedestrians.
- o Incorporate a concept for traffic movement emphasizing east/west traffic movement through the Central District to relieve current congestion points and promote use of the new I-980 freeway.
- o Work with BART and AC Transit management to provide increased transit capacity through the Central District.
- o Prepare a comprehensive parking plan which recognizes a transit priority but provides adequate development incentive through parking availability.
- o Provide safe, convenient bicycle routes between major development centers and along the shores of Lake Merritt, the Channel and the Estuary.

The land use framework can be reduced to two essential components:

- o a commercial office and retail core stretching along the Broadway spine, surrounded by
- o a ring of residential development on three sides.

Other major concentrations of development which remain unchanged are the Civic Center area and the shipping-related industries of the Embarcadero.

#### Commercial Core & the Broadway Spine

Though active retail uses have declined along the length of Broadway, projects in the planning or construction stages will reinforce this historical pattern. Planned major retail projects, including the Retail Center, Old Oakland and Jack London Square, all have direct access to Broadway. Other projects, such as Hotel Two or the Chinatown Redevelopment Project, though not predominantly retail in character, will include ground floor retail along Broadway. This historical and reemerging pattern of retail uses, together with Broadway's key role as a transit access and transfer point, virtually dictates a strong pedestrian-oriented spine along Broadway. Though the nature of uses attached to the spine may vary from predominantly office to retail, or even a mix including residential, hotel and commercial development will continue to cluster along the length of Broadway, spreading no more than a few blocks east or west.

#### Residential Ring

Residential uses have been attracted to Lake Merritt since Dr. Samuel Merritt made the first major improvements in 1869. The amenity of the lakeshore continues to be a magnet for residential development. Demand for housing in the Lake Merritt South, Old Chinatown and Lake Merritt Residential areas continues though sites are scarce and expensive. Civic uses, though well established in this area, are not likely to need room for major expansion. Therefore, the two major residential concentrations north and south of the Civic Center area have the potential to merge together and ultimately expand along the Channel if sufficient amenities are provided to overcome the proximity to the freeway.

The viability of expanding residential uses along the Channel to the Waterfront hinges in part on the disposition of the eastern Embarcadero industrial area. A mix of packing houses, warehouses, scattered office, retail, and even residential uses, this area merits a more in-depth look before its ultimate fate is decided. However, relying less on the railway and more on the freeway, the remaining industrial uses may ultimately be squeezed out by competing uses and increased auto traffic. Should these industrial uses be relocated, many opportunities for housing development will open up. The character and scale of buildings in the Embarcadero are well suited to adaptive reuse mixing commercial and residential uses. The areas east of Oak Street and along the Waterfront, where amenities are greatest, are

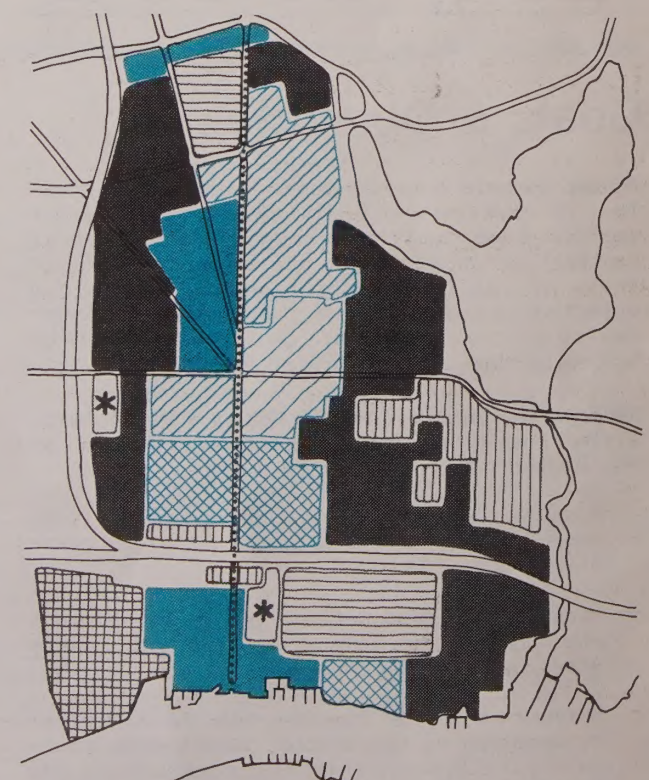
#### Develop the Waterfront with Amenities and Activities.

- o Promote a plan for mixed-use development of the waterfront, with a major focal point and visual landmark at the foot of Broadway.
- o Limit waterfront development to projects which generate a high level of pedestrian activity throughout the day and at night, and which enhance public access and water views.
- o Improve, enhance and clarify pedestrian routes to the waterfront from points inland by emphasizing view corridors and deemphasizing the visual intrusion of the Nimitz freeway.

Ideally suited for residential development in conjunction with neighborhood-oriented retail to balance specialty and tourist-oriented uses.

The area west of the commercial core is the weakest link in the ring. However, the 600 units of housing planned as part of the City Center Redevelopment Project would act as a bridge between the two fragmented residential neighborhoods of City Center West. Infill construction and rehabilitation of existing structures in City Center West and North would further strengthen these fragile neighborhoods.

Completion of the ring hinges on the future of the Broadway North area. Though garages and parts shops are scattered throughout, they are concentrated between Telegraph and Broadway. East of Broadway these uses thin out and a pocket of residences survives from an earlier time. Now somewhat of an anomaly, residential uses may again become viable given the proximity to the Lake, the Adams Point neighborhood, and the growing office district. Like the Embarcadero industrial area, Broadway North is likely to remain in transition for the near term.



#### Land Use Framework

- |                |                  |
|----------------|------------------|
| Office         | Special Use      |
| Office Support | Civic            |
| Retail/Hotel   | Industrial       |
| Residential    | Transitional     |
| Mixed          | Commercial Spine |

## Formulating Investment Strategies

Five steps were taken in formulating the different investment strategies.

#### Step 1 - Define Development Potential

The market for office, retail, housing and hotel growth was assessed during Phase I of the CDDP. Based on that analysis, it is possible to determine when, where and how much redevelopment could occur if current trends continue or if the City takes actions to accelerate growth rate.

#### Step 2 - Identify and Estimate Cost of Different Development Components

There are certain components of a development program that must be "common" to any strategy. These are described later and include investment and policy action concerning transportation, socio-equity considerations, streetscape amenity, and infrastructure (e.g., sewer pipes). Although the amount and scheduling of investments in each of these "common" components varies according to each strategy, any disregard for these basic ingredients would leave the Central District without the potential or capacity for quality growth and change.

#### Step 3 - Package Components into Alternative Strategies

The investment strategies must be composed of a logical set of actions that all complement each other and which help achieve the stated Central District goals and objectives. In formulating the three alternatives described later in this report, the following principles were used:

1. Maintain and improve basic infrastructure (e.g., sewer pipes, sidewalks, landscaping) needed to maintain Central District as an attractive and well functioning place to live and work.
2. Complete those community and economic development projects that have received previous financial commitments by the Redevelopment Agency.
3. Develop supporting improvements, including sewer pipes, streetscape amenity, and parking needed to stimulate new commercial or housing development.
4. Time the construction of supporting improvements to precede the development of new housing and commercial projects.

## Transportation

The Central District transportation program should emphasize a balancing of the needs for traffic, transit and pedestrians. Much of this balancing can be achieved through the City's investments in street, parking and transit improvements and through changes in current parking code and management practices.

As commercial development begins to accelerate, and the streets become more congested during the commuter hour, the City will need to shift its emphasis from cars to transit. Forecasts of year 2000 travel, based on the Commercial Priority Alternative development rates, indicate evening rush traffic will, on an average, increase 32%.

The largest increases will be on the I-980 freeway (+37%), Highway 17 (+34%) and at the Alameda Tube (+33%). Such increases will cause key intersections along commuting corridors to reach 100% of their capacity during the peak hour.

Investments will be needed within the 15-year planning period in both AC Transit and BART to accommodate employment growth and to encourage shifts toward transit use as traffic capacity is reached. Currently scheduled BART improvements will enhance transit access in the short-term. Toward the mid to late 1990's, further major investments will be needed to expand AC and BART capacity.

#### Traffic Policy

The transportation network in the Central District currently operates at a relatively high level of service. The most significant congestion occurs during the PM peak hour along Harrison Street approaching I-580 and at 5th and Oak and 5th and Broadway at the Highway 17 ramps. Given these current congestion problems,

5. Locate new capital improvements and commercial/housing development in locations that are mutually supportive.

6. Develop publicly-initiated commercial/housing projects to serve as catalysts for other private investments in Central District sub-areas.

7. Make investments in a manner that is consistent with likely revenue projections.

#### Step 4 - Match Costs with Revenues

Most Central District public investments are paid from the Redevelopment Agency "tax increment" revenues. When a new building is constructed in the Central District Urban Renewal Project Area, it generates an increase in the property tax base that can be used exclusively in the Central District as part of a community and economic enhancement program.

There are other revenues that could help pay for new downtown improvements including state or federal funds. However, such sources are highly undependable given recent federal and state budget debates.

There are also other forms of City revenues, but with the exception of the Off-Street Parking Program, most of these are expected to pay for services and improvements in other sections of Oakland. Therefore, the Central District "tax increment" funds will serve as the major source of public investment in downtown.

With new Central District development, and hence an expansion in the tax increment base, the Redevelopment Agency is able to issue long-term bonds to finance Central District projects. The bonds are paid back from the annual proceeds of the property tax increment. Consequently, the City's ability to pay for new projects is tied to its ability to increase the rate of development.

In the three alternative investment strategies, the proposed City expenditures are balanced with the revenues that will be derived from new Central District development. With the help of the CDDP's computer-based tax forecasting program, it is possible to readily assess the effects of differing amounts of office, retail, housing and hotel development on the potential for new tax-supported bonds which can be used for Central District improvements. The City's bonding ability is projected to range between \$71- \$109 million between the years 1986 and 2000, depending on the amount and type of growth occurring during that time period.

the Central District circulation pattern should emphasize east/west traffic access for regional commuter trips. The intent is to take advantage of currently underused or future expanded capacity on I-980 for regional commute trips, thereby minimizing local/regional conflicts on the I-580 access corridors (e.g. Harrison Street), and at the Alameda tubes and the Highway 17 access points.



Each development strategy provides a balanced budget -- e.g., expenditures that equal new revenues. The ability of the City to invest at a faster rate than provided in the phasing of the three alternatives will require one or all of the following:

- 1) accelerated rate of development, thereby increasing the tax increment base; and/or
- 2) increase in taxes or fees; and/or
- 3) new private funds via public/private partnerships similar to that currently supporting the mounted patrol officers.

Steps needed to raise additional revenues from one or several of the above sources will be outlined in Phase III of the CDDP should the City determine, upon review of the Alternative Investment Strategies, that additional expenditures are desired.

#### Step 5 - Evaluate Alternative Strategies

Evaluation of the alternative strategies is conducted to see how they would benefit the public. Evaluation criteria include consideration of how many new jobs are created; how many entry-level jobs are created; how many new assisted housing units would be financed; or what is the increase in the tax base.

The ultimate evaluation is conducted by the City Council and the community in terms of how they believe the various alternatives will satisfy the short- and long-term needs of the residents and workers of Oakland. It is that evaluation which will guide the formulating of the final plan.



To provide for the most efficient use of the Central District transportation network, a revised street classification system is recommended. This classification system will be refined to be consistent with ideas coming from the Central District Transit Study. The final result will be a recommended street network that ensures an optimum circulation pattern for both cars, trucks, pedestrians and transit. The classification system is intended to serve as a guide to future public and private transportation investments.

Major traffic access streets typically carry heavier volumes of traffic with fewer impediments to traffic flow. They are intended to provide connections to the regional freeways and to provide concentrated traffic access within the Central District. Minor traffic access streets are intended to provide concentrated auto access in the downtown and to provide connections to other Oakland districts. Collector streets are intended for collection and distribution of traffic within the Central District, not for through traffic. Local streets provide for local circulation and access rather than through movement.

#### Traffic Improvements

The following list of potential traffic improvements was developed to respond to current and anticipated traffic problems. Their effectiveness will be tested in Phase III based on the traffic volumes forecasted from the selected investment/management alternative.

**Grand Avenue** \$2,560,000  
Acquire right-of-way to widen street and to create left turn lanes between Broadway and Harrison. Restripe between Telegraph and Montecito to provide three travel lanes in each direction during the peak period to help provide access to I-980. (Part of Kaiser Center development.)



**11th/12th Couplet** \$1,500,000  
Create a one-way couplet on 11th and 12th Street to improve the east-west corridor capacity in the vicinity of City Center. Requires reconstruction of 12th Street between Clay and Broadway. (Part of City Center development.)

**Northgate** \$3,000  
Provide double right turn lanes for northbound turn movement at the Grand and 27th Street intersections to increase 1-980 freeway access capacity. Includes signal adjustments.

**Broadway** \$220,000  
To facilitate traffic flows to and from the freeways south of 12th Street. Modify the existing medians between 5th, 7th, and 13th; widen the street at 5th to provide left turn lanes; retune signals; and relandscape medians.

**Harrison Street (north of 20th)** \$60,000  
Provide additional travel lanes on Harrison in each direction between 23rd and Bay during the peak periods by restricting parking in the peak direction. Create an additional travel lane on the southbound approach to the Grand/Harrison intersection by restricting parking and taking an additional six feet from the existing 14 foot sidewalk.

**Harrison Street (south of 20th)** \$140,000  
Restripe Harrison Street for one-way northbound traffic flows between 10th and 20th to allow Webster and Harrison to operate as a one-way couplet improving flows to the Alameda tubes.

**Franklin Street** \$191,000  
Restripe and make signal adjustments along Franklin Street to revert to two-way operations between 5th and 20th Streets. Intended to provide added southbound capacity as compensation for conversion of Harrison to one-way northbound operation.

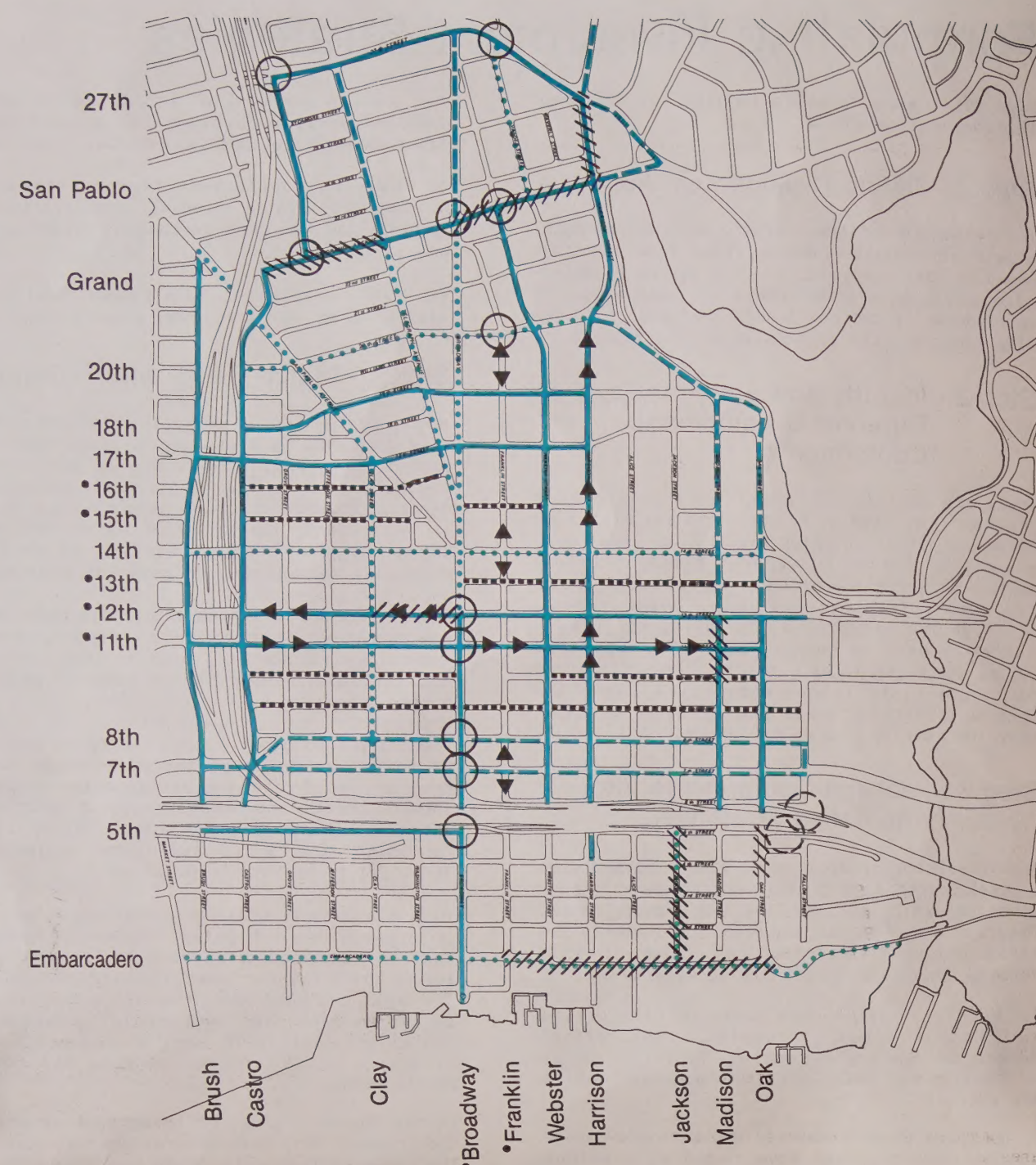
**Oak/Madison Couplet** \$170,000  
Provide three southbound travel lanes on Madison between 10th and 12th by removing existing channelization, chokers and right turn lands; restriping lanes; and relocating signal poles. Provide new freeway signing.

**Oak Street/Highway 17 Ramps** \$2,000,000  
Provide auxiliary merge lanes extending to the Channel to provide additional merge and exit capacity and to reduce traffic delay. (Assumes Joint City/Caltrans project; 50% funding from State.)

**18th Street Realignment** \$2,700,000  
Realign 18th Street between Broadway and Grove Street to increase the freeway access capacity serving the proposed Retail Center. 18th Street would become one-way in the westbound direction.

**Return Local Streets to Two-Way Operation**  
to improve local circulation and discourage through traffic. (Includes restriping and signal adjustments.)

- o 16th Street (Castro to Telegraph) \$70,000
- o 15th Street (Castro to City Hall Plaza) \$80,000
- o 13th Street ((Broadway to Oak) \$110,000
- o 10th Street (Castro to Oak) \$40,000  
Potential for increasing on-street parking and loading.
- o 9th Street (Castro to Fallon) \$690,000  
Potential sidewalk widening.



#### Street Classification

- Major Traffic Access
- - - Minor Traffic Access
- ..... Collector

#### Traffic Improvements

- Widen or Reconstruct
- Restripe/Limit Parking
- Improve Turning Movement
- Improve Freeway Ramping
- Alter to Two-Way
- Alter to One-Way
- Return to Two-Way
- Adjust Signalization

**Embarcadero** \$710,000  
(East of Franklin to Oak) Widen to four travel lanes to accommodate development proposed in the Embarcadero and Waterfront areas.

**Jackson Street** \$230,000  
(Embarcadero to 5th) Remove parking and restripe as four lanes to provide freeway access for waterfront and Jack London Square development.

**Valdez Street** \$75,000  
Revise the 27th/Valdez intersection to improve access to the 1-980 freeway; eliminate Valdez/26th Street signal; and modify the right turn movement to Valdez. (Part of Kaiser Center Project.)

#### Parking Policy

The current estimated demand for office parking is about 1.3 parking spaces per 1,000 square feet of office. Parking demand for support retail is 1.0 spaces per 1,000 square feet and stand alone retail is about 2.75 - 3.0 spaces per 1,000 square feet. Current policy requires no on-site parking in major office zones (C-55, C-52) and one space per 1,400 in the C-51 and C-45 zones. To date, the average level of parking provided in conjunction with new office and support retail development has been less than the projected demand, or approximately 0.9 space per 1,000.

Parking is often seen as a plus with respect to attracting new development. However, if the auto drivers cannot be accommodated on the surrounding street network without serious congestion, the provision of plentiful parking becomes a negative factor. The City therefore needs a parking strategy that balances provision of parking with accessibility and responds to both short-term and long-term conditions. One strategy is to set a long-term parking goal for office of 1.0 spaces per 1,000 square feet and 3.00 for retail. To meet part of this goal, office developers would be required, in C-55, C-52 and C-51 zones, to provide a minimum of .5 and a maximum of 1 space per 1,000. This requirement could be met either on-site or by contributing to a fund to create off-site parking.

The City, through use of both the tax increment and Off-Street Parking Program funds, could build the difference between the office goal and that provided by developers where: 1) the private sector cannot afford to meet the parking requirements or 2) there is a need to offer more public parking as an inducement to new office tenants. The City could also encourage the lower amount of parking in locations that have high transit accessibility and congested traffic conditions. The City could also provide parking in locations where the retail parking goal is not being met.

In the long-term or as the streets start becoming more congested and the need for further office tenant inducement is reduced, the City should cease building additional parking and shift its investment program towards transit. Further, it should initiate a parking management program that shifts the emphasis away from long-term parking and more toward short-term parking to support retail activities.

**Public Parking Investment** \$11,800,000  
Construct 2,950 parking stalls; half of the cost paid by parking revenues and the remainder from the tax increment or Off-Street Parking Program.

#### Transit Policy

By the mid-1990's, half or more of all office commuters may arrive by transit, with BART expected to serve the largest share. Improvements will therefore be needed to both the BART and AC Transit lines serving the Central District.

#### Transit Improvements

Transit Improvements will be identified in the Central District Transit Study, which is being coordinated with the CDDP. The listing below is illustrative of the type of improvements being considered, although specific projects have not as yet been evaluated.

**BART Service** Cost unknown

Increase frequency of BART service on current lines serving the Central District or provide new direct BART service from the Concord Station to the Bay Fair Station or downtown Oakland (would require new track in the downtown) to provide increase BART capacity for Central District commuters. Would require systemwide BART evaluation.

**Central District Transit Capital Improvements** \$6-7 million

Construct off-street transit transfer center(s) and/or give priority to buses on streets such as Broadway or Franklin (e.g. mall or bus-only lanes).

#### AC Transit Routing within Central District Operating Cost Only

North/south corridor alternatives:

Concentrate more bus lines on Broadway to provide continuous north/south distribution in the downtown;

Use Franklin Street for two-way transit operation or in conjunction with Broadway or Webster Street for improved access to Lake Merritt office area.

Disperse transit over several corridors straddling Broadway (e.g. Franklin and San Pablo/Clay). This alternative provides penetration on either side of the Broadway spine;

Develop Webster and Harrison as a major transit corridor. This option provides more direct service to the Lake Merritt office area but is less convenient to the City Center development.

East/west corridor alternatives:

Concentrate east-west bus service on either 11th and 12th Streets (one-way) or 14th Street (two-way);

Disperse bus service over the above mentioned streets and portions of the 17th/19th couplet, 20th Street and/or 21st Street;

Create a major Grand Avenue corridor, with transfers to north-south lines for access to southerly portions of the Central District.



#### Socio-Equity

Create a socio-equity policy and program that defines basic City goals and outlines a variety of methods by which a developer of a publicly-initiated project can achieve the goals. The program would specify a series of different social investments -- i.e. community equity; minority equity; job training; housing rehabilitation; small business development -- in which the developer would invest to satisfy City goals. The program would also establish an equitable method of making financial trade-offs among such investments such that the developer could select to best program that fit both the community's and his/her need.

#### Socio-equity Component

The City of Oakland's efforts to directly link

its image and role as the central spine;

- o gateways at 1-980 are created to mark major entries to the commercial core and announce the Retail Center;
- o City Hall Plaza is redesigned as the symbolic public open space will serve all civic functions.

The aggregate effect will be visually powerful and functionally logical. Along hospitable streets will occur a rhythm of open spaces.

The open space improvements listed below would complement all major components of Central District development: retail, office and housing. In the alternative investment programs which follow, most improvements are phased to complement specific development projects or neighborhoods. Ideally, improvements with major symbolic impacts, such as City Hall Plaza, should occur under each alternative.

**Streetscape** \$9,500,000-13,500,000

Costs for street tree planting will vary according to the need for installation of irrigation systems. The figures include costs for street furniture, paving, and lighting improvements on major streets only. Additionally, costs would be incurred in undergrounding of utility lines.

**Broadway** \$4,000,000-6,000,000  
**San Pablo and Telegraph** \$1,200,000  
**Neighborhood Streets** \$4,300,000

#### Infrastructure

There must be investments in basic City capital facilities in order for the Central District to adequately function. Three major capital investments are:

**Sewer pipe replacement** \$4.0-2.1 million

The Infiltration/Inflow Study has indicated the cost of replacement on major Central District truck lines is \$7 million. The City has budgeted \$3.0 million for sewer improvements in various redevelopment projects. Furthermore, the City has required office developers, as environmental impact mitigation, to pay that portion of the total cost associated with expanding the pipe capacity to handle the new buildings. It is estimated that such additional demand accounts for 25% of the total system capacity, thereby representing the cost of \$1.75 million. The remaining sewer replacement cost could therefore range from \$4.0 - 2.2 million depending on how much of the cost the City receives of commercial developers.

**Public School** \$4,000,000

Lincoln Elementary School, which specializes in education for Asian children, is at enrollment capacity. If a Central District housing program is to be successful, particularly one that builds on the expanding downtown Asian community, it will be necessary to increase the capacity of Lincoln School.

economic progress with social advancement needs to take shape as both investments and public policy. The basic issue to be faced in setting such investment and policies is by what degree will new development be constrained by minority/community participation requirements and how can such constraints be reduced while still ensuring an equitable share of investment opportunities and jobs for Oakland residents.

**Labor Force Training** \$200,000 per year

Support various employment training/placement efforts in either the public schools, community college or other programs.

**Community/Minority Equity Fund** amount varies based on project size

Use portion of market stimulation funds to enable community or minority equity in publicly-initiated projects.

**Gateways** \$1,900,000

Includes symbolic entrance gates at major access points to the Central District and improvements of freeway underpasses to make them more inviting to pedestrians. Costs range from \$100,000 to \$250,000 each.

**Broadway and Telegraph** \$500,000  
**San Pablo and East/West streets** \$600,000  
**Neighborhood/freeway underpasses** \$800,000

**Parks and Plazas** \$15,000,000-17,750,000

Many parks and plaza require redesign and/or rehabilitation. Others, such as the Channel edge, need completion, including a railway overpass. Costs vary tremendously according to the quality of materials used. Cost estimates for new neighborhood parks include land acquisition. Expenditures will vary according to the location and timing of new housing development.

**City Hall Plaza** \$3,000,000-5,000,000  
**Park Rehabilitation** \$3,500,000  
**New Neighborhood Parks** \$9,250,000



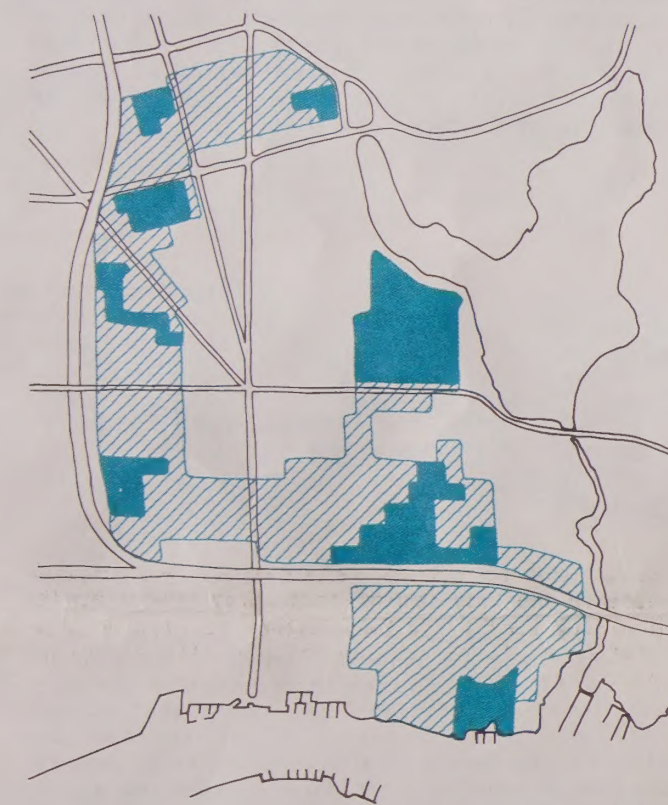
## Housing

### Approach

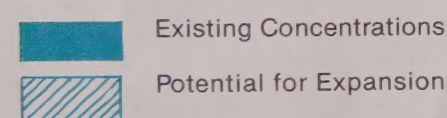
The housing development approach for the Central District proceeds directly from the following goals: to protect and enhance existing residential communities, to encourage growth within the limits of historical continuity and to change the image of the Central District. Key components are:

- o Stabilize existing neighborhoods, stemming loss and conversion of units.
- o Strengthen existing neighborhoods by encouraging infill development of an appropriate scale and type.
- o Reinforce isolated pockets of housing by encouraging new residential development and providing essential neighborhood services and amenities.

This strategy is illustrated the following map of existing concentrations of residential development along with areas potentially suitable for new housing.



### Housing Development Concept



### Recent Trends & Obstacles to Production

From 1980-85, 860 housing units were added to the Central District's stock. During this time, approximately 125 units were lost due to demolition, conversion to other uses or relocation. An unknown number were renovated, then rented or sold at higher costs, often forcing previous tenants out of the market. Tenants of residential hotels, a significant proportion of the Central District's population, are particularly vulnerable to this cycle.

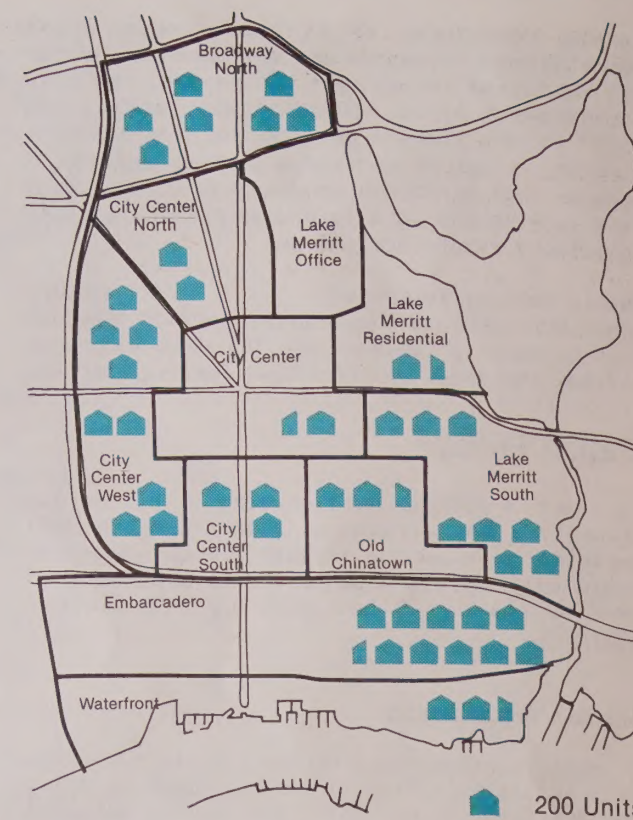
The net gain of 735 housing units in the Central District over the last 5 years represents a significant increase in the City's housing supply, amounting to 24% of the net gain city wide during that period. However, fewer than 50 of the 860 units produced were in projects built without some form of public assistance. The reasons for the low level of unassisted housing production stem from several causes: high land and construction costs, lack of neighborhood conveniences and amenities, and the overall image of the Central District.

These problems have been addressed in the past, principally by direct public subsidies to housing. Given that state and federal funding levels for housing have since dropped and are not likely to recover in the near future, the City will have to assume an increasing role in stimulating housing production through a variety of means. In order to shift the balance of production more toward unassisted housing, the City needs a housing development strategy that

includes not only indirect subsidies but other capital improvements and public policies that will improve the climate for housing production throughout the Central District.

### Development Capacity

To determine the housing development capacity of the Central District each opportunity area was reexamined to identify specific sites appropriate for residential use. The number of housing units that could reasonably be accommodated on each site was estimated. These estimates were made by selecting a building type appropriate to the particular location and applying the corresponding residential density. Prototypes ranged from 2-3 story townhouses in City Center North and West and low-to-mid-rise mixed use buildings in the Embarcadero/Waterfront, Chinatown and Broadway North areas, to high-rise towers with perimeter block townhouses in the eastern Embarcadero and Lake Merritt South areas. Densities ranged from 50 to 200 units/acre. The findings of this analysis, summarized here, reveal that the Central District could accommodate an additional 9,500 housing units, a figure slightly higher than the existing number of 9,200. Clearly, development capacity is not a limiting factor.



### Central District Housing Capacity

Broadway North	1,400
City Center North	400
City Center West	1,600
City Center	300
City Center South	600
Lake Merritt Office	300
Lake Merritt Residential	1,600
Lake Merritt South	500
Old Chinatown	2,100
Embarcadero	500
Waterfront	500

Total Potential New Units 9500

### On-Going Market Support

The City has made commitments to support the following housing development projects. The first priority should be to complete them, allocating additional funds if necessary.

#### City Center Redevelopment Project

Developer has approval to build 600 units on 3 blocks of city-owned land; will pay the City \$10/sq.ft. for land. May need additional subsidies, particularly for affordable units.

#### Chinatown Redevelopment Project

City is seeking developer for mixed use project on city-owned land including 250 housing units, 20% to be affordable, land purchase terms to be negotiated with developer.

**EBALC-Housing Project** \$4,300,000  
Non-profit developer to build 90 affordable units on land to be purchased by City.

**Oaks Hotel** \$700,000-900,000  
Rehabilitation of hotel to produce 81 housing units. Needed state and federal funding has been secured.

#### Victoria Plaza

Rehab of St. Mark's Hotel to provide 100 units of elderly housing. No city funding required.

### New Development Projects

New projects should be planned and developed, along with supporting capital improvements, to reinforce and strengthen existing neighborhoods or to establish new ones. Housing projects should stimulate the production of market rate housing as well as meet special needs of low and moderate income residents.

Continued public assistance to market rate housing is necessary to bridge the affordability gap, but should taper off over time as the market gain strength. The gap currently ranges from \$25 to \$50,000 per unit. The following figures are used for estimating needed housing subsidies:  
- \$40,000 per unit for market rate housing  
- \$20,000 per unit additional for affordable housing.

### Public Policy

#### Stem Losses Due to Demolition, Conversion & Relocation

- o Establish a rehabilitation program to supplement existing programs and replace funding lost at the federal level to stem losses due to physical deterioration.



## Office

### Approach

The Central District has about 8 million square feet of office space with another 2.1 million under construction. Additionally, there is 7.6 million square feet of offices planned buildings and approved for future development.

Absorption of Central District offices averaged 215,000 square feet between 1978-84 and is anticipated to reach 300,000 per year in the late 1980's based on existing trends in both the local and regional market. Unless the current market absorption rate is substantially increased, completion of the planned office projects will extend well into the next century. Consequently, construction of new office buildings may be postponed until new constructed as well as currently vacant offices are filled.

Components of the Office programs should include:

### On-Going Market Support

All the following projects are being supported by previously-issued tax increment supported bonds.

**City Center Development/Preservation Park** \$12,000,000  
Expenditures include sewer line replacement and other major site preparation costs needed to complete the project.

**Old Oakland (Victorian Row)** \$7,000,000  
Site improvements, rehabilitation of buildings.

**Chinatown Redevelopment** \$13,000,000  
Public improvements, including sewer line replacement, and subsidies for housing and community equity participation.

### Tenant Attraction

The City should initiate a series of actions aimed at accelerating the rate of office absorption by seeking out new tenants and offering new forms of inducements.

**Tenant Targeting/Marketing** \$100,000 per year  
Develop a public/private program that a) creates a detailed list of prospective companies that

may be interested in locating in Oakland and b) makes direct marketing contacts with such companies.

Day Care Demonstrations \$100,000 per year

Transit Coordinators \$50,000 per year

Enrichment Events \$50,000 per year

New Development Projects

Broadway Pivot Office Project \$4,000,000

Initiate a new redevelopment project along Broadway, between 20th and 17th, aimed at serving as a pivot between the Lake Merritt Office and City Center sub-areas. The purpose of this project is to help draw the stronger market demand for office in the Lake Merritt area towards the City Center area along the Broadway spine. The project would consist of land acquisition and assembly, with the land being re-sold in a parcel configuration that best fits the needs of office development. Retail activities would be required at the ground floor level.

The project should be initiated at a time when the Lake Merritt developments are progressing rapidly and there is beginning to be a lack of readily developable space in that sub-area.

Public Policy

Zoning Changes

Amend the zoning to focus high density offices uses in the Lake Merritt and City Center sub-area and along Broadway between Grand Avenue and Highway 17. Limit high density office from moving further up Broadway above the north side of Grand Avenue. Amend the permitted uses in industrial zones in the selected sections of the Embarcadero sub-area to preclude office-type

uses. Amend the floor area ratios and permitted uses in the City Center West, City Center North, Broadway North, and Embarcadero to give greater preference to office-support, retail, wholesale and other forms of less intensive land uses.

of Oakland projects include:

Hotel 11 (Broadway Garage) \$18,000,000

Land assembly, garage construction, air rights lease to hotel developer

Jack London Square Port of Oakland

Major street-oriented retail with special emphasis on eating and drinking places.

New Development Projects

Retail Center \$35,000,000-60,000,000

Develop major regional shopping/mixed use center. Assemble land, make public improvements; preserve historic buildings; construct parking.

Housewives Market \$4,000,000

Rehabilitate and expand the market; lease/sale to current tenants. Another option is to purchase the nearby Swan's Market, which is physically more attractive than Housewives', and help the Housewives' tenants relocate to Swans. The tenants would also be given the right to purchase condominium ownership of space in Swans.

Public Policy

Zoning Changes

Amend the permitted uses on Broadway, and portions of Telegraph, San Pablo, and 20th Street to ensure retail uses that will generate the highest level of pedestrian activity.

Develop sign and building appearance requirements for properties fronting Broadway to present an exciting and unifying image.

Components of the Retail/Hotel programs should include:

On-Going Market Support

Current redevelopment projects that have significant retail components include City Center, Preservation Park, Chinatown Redevelopment, and Old Oakland. These projects were discussed under the Office Component. Other on-going City

may be interested in locating in Oakland and b) makes direct marketing contacts with such companies.

Day Care Demonstrations \$100,000 per year

Transit Coordinators \$50,000 per year

Enrichment Events \$50,000 per year

New Development Projects

Broadway Pivot Office Project \$4,000,000

Initiate a new redevelopment project along Broadway, between 20th and 17th, aimed at serving as a pivot between the Lake Merritt Office and City Center sub-areas. The purpose of this project is to help draw the stronger market demand for office in the Lake Merritt area towards the City Center area along the Broadway spine. The project would consist of land acquisition and assembly, with the land being re-sold in a parcel configuration that best fits the needs of office development. Retail activities would be required at the ground floor level.

The project should be initiated at a time when the Lake Merritt developments are progressing rapidly and there is beginning to be a lack of readily developable space in that sub-area.

Public Policy

Zoning Changes

Amend the zoning to focus high density offices uses in the Lake Merritt and City Center sub-area and along Broadway between Grand Avenue and Highway 17. Limit high density office from moving further up Broadway above the north side of Grand Avenue. Amend the permitted uses in industrial zones in the selected sections of the Embarcadero sub-area to preclude office-type

uses. Amend the floor area ratios and permitted uses in the City Center West, City Center North, Broadway North, and Embarcadero to give greater preference to office-support, retail, wholesale and other forms of less intensive land uses.

of Oakland projects include:

Hotel 11 (Broadway Garage) \$18,000,000

Land assembly, garage construction, air rights lease to hotel developer

Jack London Square Port of Oakland

Major street-oriented retail with special emphasis on eating and drinking places.

New Development Projects

Retail Center \$35,000,000-60,000,000

Develop major regional shopping/mixed use center. Assemble land, make public improvements; preserve historic buildings; construct parking.

Housewives Market \$4,000,000

Rehabilitate and expand the market; lease/sale to current tenants. Another option is to purchase the nearby Swan's Market, which is physically more attractive than Housewives', and help the Housewives' tenants relocate to Swans. The tenants would also be given the right to purchase condominium ownership of space in Swans.

Public Policy

Zoning Changes

Amend the permitted uses on Broadway, and portions of Telegraph, San Pablo, and 20th Street to ensure retail uses that will generate the highest level of pedestrian activity.

Develop sign and building appearance requirements for properties fronting Broadway to present an exciting and unifying image.

Components of the Retail/Hotel programs should include:

On-Going Market Support

Current redevelopment projects that have significant retail components include City Center, Preservation Park, Chinatown Redevelopment, and Old Oakland. These projects were discussed under the Office Component. Other on-going City

may be interested in locating in Oakland and b) makes direct marketing contacts with such companies.

Day Care Demonstrations \$100,000 per year

Creation of demonstration day care services as inducement to tenants. One such facility might be located in Preservation Park, adjacent to City Center offices.

Transit Coordinators \$50,000 per year

Underwrite transit coordinator to work with major tenants/offices to help arrange transit and car pooling/vanpooling.

Enrichment Events \$50,000 per year

Participate, with business, in sponsoring arts and entertainment events that bring added daytime and nighttime life to the Central District.

### New Development Projects

Broadway Pivot Office Project \$4,000,000

Initiate a new redevelopment project along Broadway, between 20th and 17th, aimed at serving as a pivot between the Lake Merritt Office and City Center sub-areas. The purpose of this project is to help draw the stronger market demand for office in the Lake Merritt area towards the City Center area along the Broadway spine. The project would consist of land acquisition and assembly, with the land being re-sold in a parcel configuration that best fits the needs of office development. Retail activities would be required at the ground floor level.

The project should be initiated at a time when the Lake Merritt developments are progressing rapidly and there is beginning to be a lack of readily developable space in that sub-area.

### Public Policy

#### Zoning Changes

Amend the zoning to focus high density offices uses in the Lake Merritt and City Center sub-area and along Broadway between Grand Avenue and Highway 17. Limit high density office from moving further up Broadway above the north side of Grand Avenue. Amend the permitted uses in industrial zones in the selected sections of the Embarcadero sub-area to preclude office-type

uses. Amend the floor area ratios and permitted uses in the City Center West, City Center North, Broadway North, and Embarcadero to give greater preference to office-support, retail, wholesale and other forms of less intensive land uses.

of Oakland projects include:

Hotel 11 (Broadway Garage) \$18,000,000

Land assembly, garage construction, air rights lease to hotel developer

Jack London Square Port of Oakland

Major street-oriented retail with special emphasis on eating and drinking places.

New Development Projects

Retail Center \$35,000,000-60,000,000

Develop major regional shopping/mixed use center. Assemble land, make public improvements; preserve historic buildings; construct parking.

Housewives Market \$4,000,000

Rehabilitate and expand the market; lease/sale to current tenants. Another option is to purchase the nearby Swan's Market, which is physically more attractive than Housewives', and help the Housewives' tenants relocate to Swans. The tenants would also be given the right to purchase condominium ownership of space in Swans.

Public Policy

Zoning Changes

Amend the permitted uses on Broadway, and portions of Telegraph, San Pablo, and 20th Street to ensure retail uses that will generate the highest level of pedestrian activity.

Develop sign and building appearance requirements for properties fronting Broadway to present an exciting and unifying image.

Components of the Retail/Hotel programs should include:

On-Going Market Support

Current redevelopment projects that have significant retail components include City Center, Preservation Park, Chinatown Redevelopment, and Old Oakland. These projects were discussed under the Office Component. Other on-going City

may be interested in locating in Oakland and b) makes direct marketing contacts with such companies.

Day Care Demonstrations \$100,000 per year

Transit Coordinators \$50,000 per year

Enrichment Events \$50,000 per year

New Development Projects

Broadway Pivot Office Project \$4,000,000

Initiate a new redevelopment project along Broadway, between 20th and 17th, aimed at serving as a pivot between the Lake Merritt Office and City Center sub-areas. The purpose of this project is to help draw the stronger market demand for office in the Lake Merritt area towards the City Center area along the Broadway spine. The project would consist of land acquisition and assembly, with the land being re-sold in a parcel configuration that best fits the needs of office development. Retail activities would be required at the ground floor level.

The project should be initiated at a time when the Lake Merritt developments are progressing rapidly and there is beginning to be a lack of readily developable space in that sub-area.

Public Policy

Zoning Changes

Amend the permitted uses on Broadway, and portions of Telegraph, San Pablo, and 20th Street to ensure retail uses that will generate the highest level of pedestrian activity.

Develop sign and building appearance requirements for properties fronting Broadway to present an exciting and unifying image.

Components of the Retail/Hotel programs should include:

On-Going Market Support

Current redevelopment projects that have significant retail components include City Center, Preservation Park, Chinatown Redevelopment, and Old Oakland. These projects were discussed under the Office Component. Other on-going City

may be interested in locating in Oakland and b) makes direct marketing contacts with such companies.

Day Care Demonstrations \$100,000 per year

Transit Coordinators \$50,000 per year

Enrichment Events \$50,000 per year

New Development Projects

Broadway Pivot Office Project \$4,000,000

Initiate a new redevelopment project along Broadway, between 20th and 17th, aimed at serving as a pivot between the Lake Merritt Office and City Center sub-areas. The purpose of this project is to help draw the stronger market demand for office in the Lake Merritt area towards the City Center area along the Broadway spine. The project would consist of land acquisition and assembly, with the land being re-sold in a parcel configuration that best fits the needs of office development. Retail activities would be required at the ground floor level.

The project should be initiated at a time when the Lake Merritt developments are progressing rapidly and there is beginning to be a lack of readily developable space in that sub-area.

Public Policy

Zoning Changes

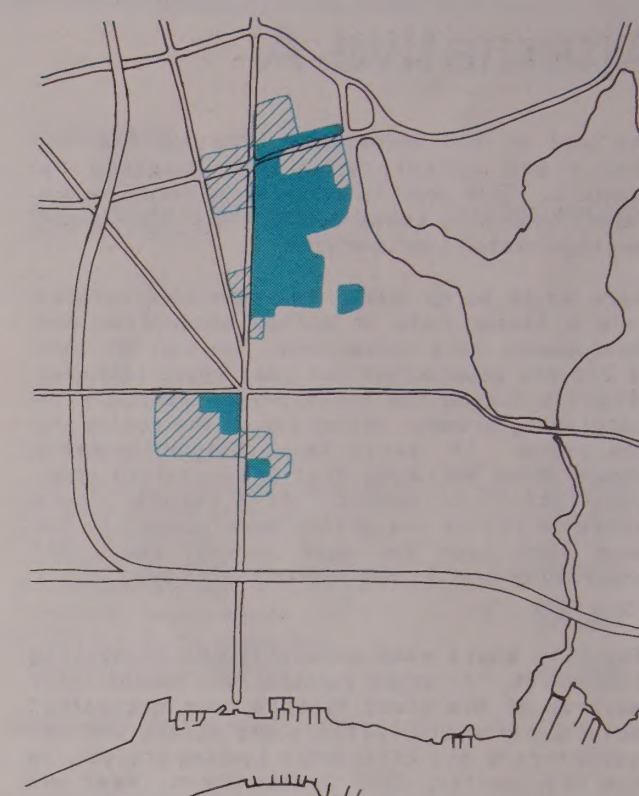
Amend the permitted uses on Broadway, and portions of Telegraph, San Pablo, and 20th Street to ensure retail uses that will generate the highest level of pedestrian activity.

Develop sign and building appearance requirements for properties fronting Broadway to present an exciting and unifying image.

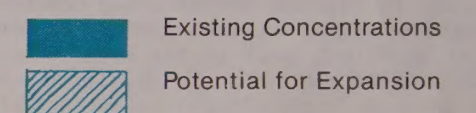
Components of the Retail/Hotel programs should include:

On-Going Market Support

Current redevelopment projects that have significant retail components include City Center, Preservation Park, Chinatown Redevelopment, and Old Oakland. These projects were discussed under the Office Component. Other on-going City



### Office Development Concept



### Recent Trends & Obstacles to Production

From 1980-85, 860 housing units were added to the Central District's stock. During this time, approximately 125 units were lost due to demolition, conversion to other uses or relocation. An unknown number were renovated, then rented or sold at higher costs, often forcing previous tenants out of the market. Tenants of residential hotels, a significant proportion of the Central District's population, are particularly vulnerable to this cycle.

The net gain of 735 housing units in the Central District over the last 5 years represents a significant increase in the City's housing supply, amounting to 24% of the net gain city wide during that period. However, fewer than 50 of the 860 units produced were in projects built without some form of public assistance. The reasons for the low level of unassisted housing production stem from several causes: high land and construction costs, lack of neighborhood conveniences and amenities, and the overall image of the Central District.

These problems have been addressed in the past, principally by direct public subsidies to housing. Given that state and federal funding levels for housing have since dropped and are not likely to recover in the near future, the City will have to assume an increasing role in stimulating housing production through a variety of means. In order to shift the balance of production more toward unassisted housing, the City needs a housing development strategy that

includes not only indirect subsidies but other capital improvements and public policies that will improve the climate for housing production throughout the Central District.

### Development Capacity

To determine the housing development capacity of the Central District each opportunity area was reexamined to identify specific sites appropriate for residential use. The number of housing units that could reasonably be accommodated on each site was estimated. These estimates were made by selecting a building type appropriate to the particular location and applying the corresponding residential density. Prototypes ranged from 2-3 story townhouses in City Center North and West and low-to-mid-rise mixed use buildings in the Embarcadero/Waterfront, Chinatown and Broadway North areas, to high-rise towers with perimeter block townhouses in the eastern Embarcadero and Lake Merritt South areas. Densities ranged from 50 to 200 units/acre. The findings of this analysis, summarized here, reveal that the Central District could accommodate an additional 9,500 housing units, a figure slightly higher than the existing number of 9,200. Clearly, development capacity is not a limiting factor.

Continued public assistance to market rate housing is necessary to bridge the affordability gap, but should taper off over time as the market gain strength. The gap currently ranges from \$25 to \$50,000 per unit. The following figures are used for estimating needed housing subsidies:  
- \$40,000 per unit for market rate housing  
- \$20,000 per unit additional for affordable housing.

### Public Policy

#### Stem Losses Due to Demolition, Conversion & Relocation

- o Establish a rehabilitation program to supplement existing programs and replace funding lost at the federal level to stem losses due to physical deterioration.



Alternative A

The goal of the Investment Strategy A is to create and stimulate as much housing as possible. This goal is achieved by focusing the majority of City funds on housing projects and housing-related improvements.

There would be no direct investments to stimulate a faster rate of office absorption and development. As a consequence, the current rate of 250,000 square feet per year would increase slightly during the first 5-year period with marginally greater amounts over the following ten years. It would take longer to fully occupy those buildings that are currently under construction or vacant. As a result, there would be little new office development in the near term over the next several years and moderate growth to the tax-increment base in the long run.

The City would make several forms of housing investment. It would purchase and rehabilitate several of the older "single room occupancy" hotels. It would initiate and underwrite new market-rate and affordable housing projects in the City Center, City Center North, West and South, Lake Merritt South and Old Chinatown areas. A rental housing program would be started to offer rehabilitation grants in exchange for rent stabilization agreements.

A number of streetscape and park improvements would be made to improve the existing residential environments and to make currently non-residential sections, such as the Embarcadero area, more suitable for housing. New landscape, park and street improvements would help strengthen existing residential neighborhoods in the Chinatown and Lake Merritt South areas. The Embarcadero and Waterfront area near the Channel would include a mix of uses with a strong emphasis on residential. These improvements are scheduled such that the public investments precede or occur concurrently with public and private housing development.

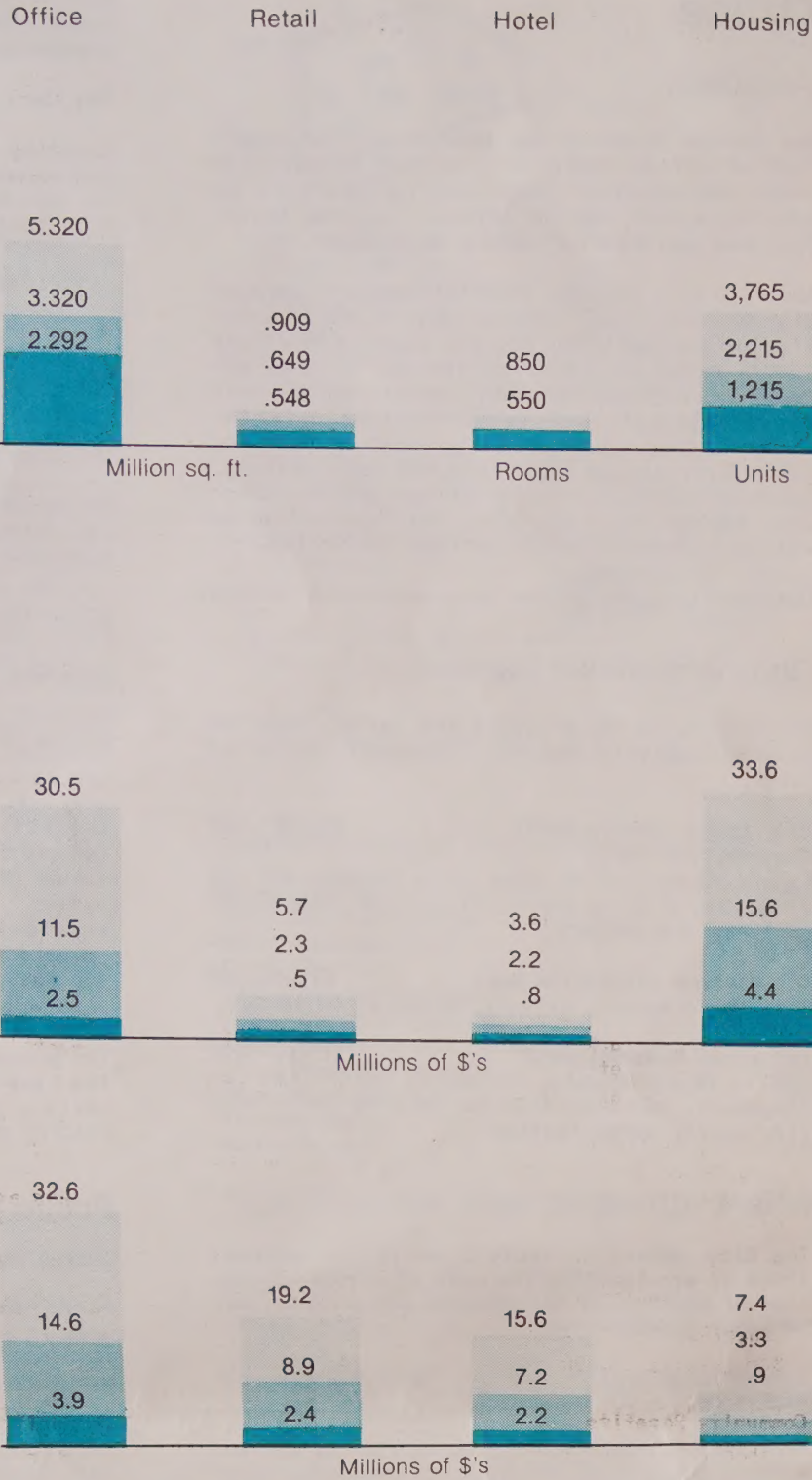
All of the basic sewer and road improvements would be made but paid for with a greater financial contribution from commercial developers than is required in the other two alternatives. In addition, certain street improvements intended primarily to accommodate office growth would not receive public funding but would be supported entirely by development fees.

Development Program

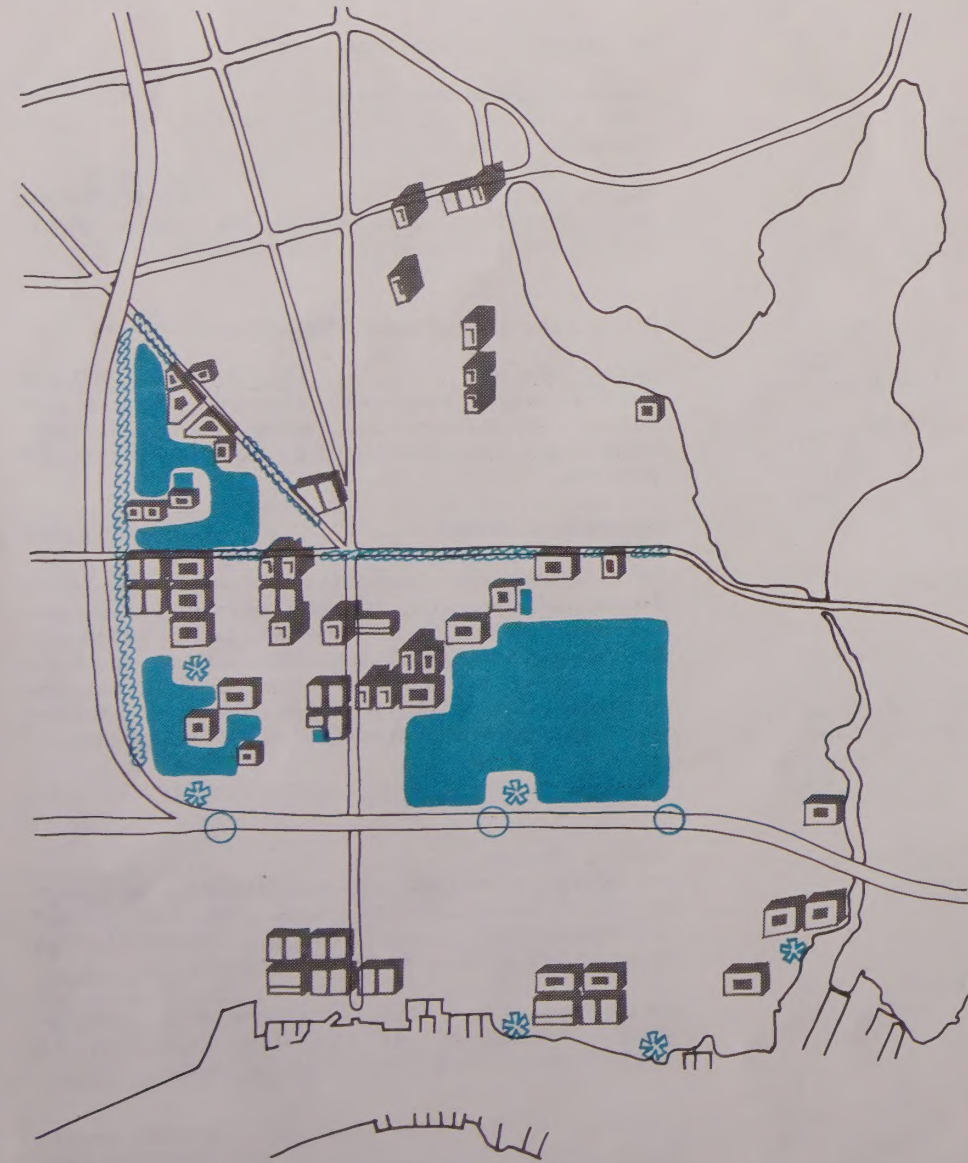
Revenues

Property Tax Generated

Other Taxes Generated



Concept



Supporting Actions

Transportation

Develop parking programs that share commercial and residential parking demands.

Alter existing street network to return several local residential streets back to two-way and to concentrate commute traffic on streets that offer direct freeway access.

School

Plan for the expansion of Lincoln School to accommodate children of people moving into the new housing.

Housing Policy

Develop housing stock preservation or replacement policies for residential hotels and rental apartment units.

Land Use & Historic Preservation

Rezone sections of the City Center North, City Center West, Lake Merritt South and Old Chinatown areas to provide greater inducement for residential development and to reduce the spread of high intensity commercial into existing residential areas. Zoning should be set at densities appropriate to the existing scale and character of established neighborhoods, particularly in and adjoining historic districts.

Rezone eastern sections of the Embarcadero area to low-intensity commercial/residential. Set floor area ratios or height limits that favor residential uses.

Investment Program

1986-1990

Available Tax-Increment Bond Proceeds \$18,150,000

Infrastructure

o Sewer trunk line replacement (maximum contribution from commercial development) \$ 2,200,000

Transportation

o Northgate Intersections \$ 3,000  
o Oak/Madison Couplet \$ 170,000  
o Harrison St. additional lanes \$ 60,000

Commercial Incentives

Housing Development

o City Center North & West  
Acquire/ rehab residential hotel (75 units) \$ 1,463,000  
Neighborhood Park: Grove, 16 and 17th \$ 1,200,000  
100 New assisted market-rate units \$ 4,000,000  
o City Center West & South  
Planting near freeway \$ 260,000  
Old Oakland park \$ 225,000  
Improve Lafayette & Jefferson Square parks \$ 200,000  
Street trees \$ 320,000  
60 Affordable units \$ 1,200,000  
City Center development \$ 4,000,000  
100 New assisted market-rate units \$ 4,000,000  
o Lake Merritt South  
Street trees: 14th Street \$ 349,000  
o Rehab/Rent Stabilization  
300 units @ \$5,000 \$ 1,500,000

Community Benefits

o Labor force training \$ 1,000,000

1991-1995

Available Tax-Increment Bond Proceeds \$23,400,000

Infrastructure

- 0 -

Transportation

o Harrison St. one-way north of 20th \$ 140,000  
o Valdez/27th Intersection \$ 75,000  
o Franklin St. two-way \$ 190,000

Commercial Incentives

Housing Development

o City Center West & South  
Street trees \$ 275,000  
Hwy 17/Jefferson gateway \$ 100,000  
150 New assisted market-rate units, 30 to be affordable \$ 6,600,000  
o City Center, Chinatown, Lake Merritt South  
Neighborhood park \$ 1,060,000  
Street trees \$ 310,000  
200 New assisted market-rate units \$ 8,000,000  
o Embarcadero and Waterfront  
Pedestrian rail overpass \$ 1,000,000  
Landscape channel: Hwy 17 to Estuary Park \$ 150,000  
Land assembly for 100 market-rate units \$ 4,000,000  
o Rehab/Rental Stabilization  
100 units @ \$5,000 \$ 500,000

Community Benefits

o Labor force training \$ 1,000,000

1996-2000

Available Tax-Increment Bond Proceeds \$29,350,000

Infrastructure

- 0 -

Transportation

o Broadway, southern section \$ 219,000  
o Embarcadero widening \$ 710,000  
o Oak Street/Hwy 17 ramp improvements \$ 2,005,000  
o Jackson St/Hwy 17 access improvements \$ 230,000  
o Return to two-way: 9th, 10th, 13th, 15th, 16th \$ 990,000

Commercial Incentives

Housing Development

o City Center North and West  
Landscape San Pablo Avenue \$ 650,000  
200 new assisted market-rate units \$ 8,800,000  
Acquire/ rehab residential hotel: 150 units \$ 3,788,000  
o City Center, Chinatown, and Lake Merritt South  
Enhance Harrison Square \$ 100,000  
Street trees \$ 733,000  
Park/plaza on 7th St. \$ 1,000,000  
Hwy 17/Harrison & Oak gateways \$ 200,000  
o Embarcadero and Waterfront  
Landscape channel and waterfront promenade \$ 925,000  
100 new assisted market-rate units \$ 4,000,000

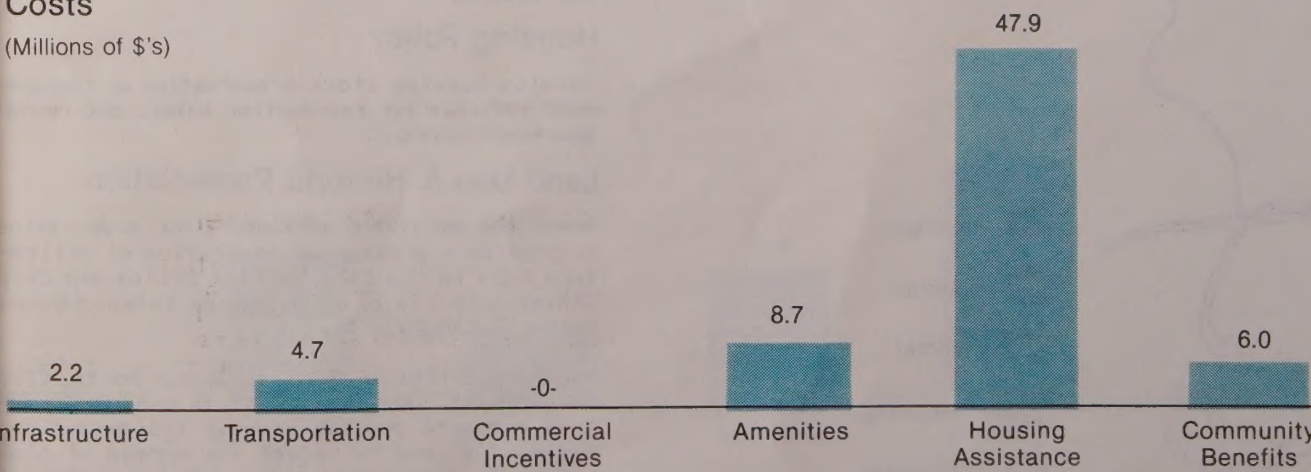
Community Benefits

o Labor force training \$ 1,000,000  
o Expand Lincoln School \$ 4,000,000

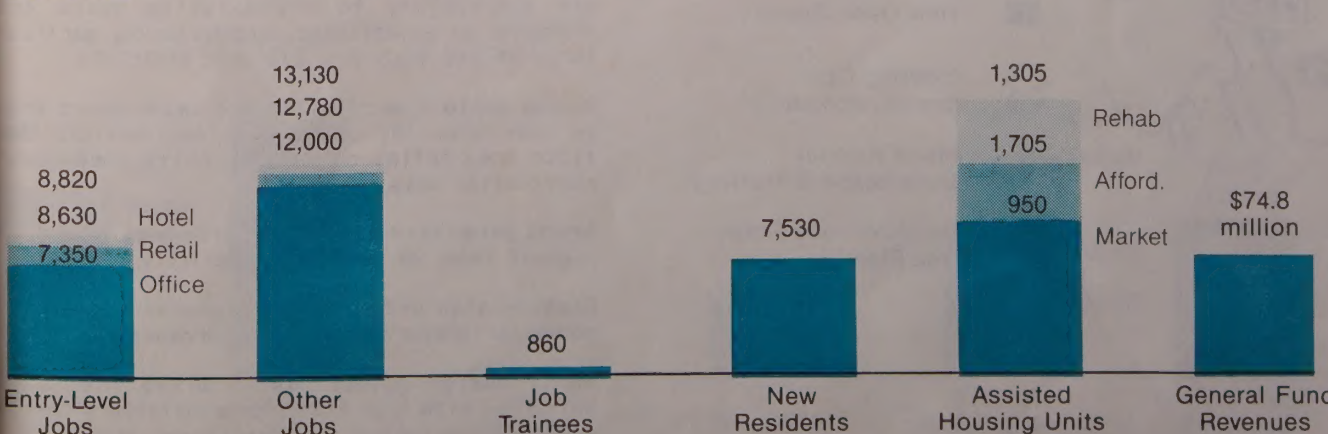
Evaluation

Costs

(Millions of \$'s)



Benefits



The emphasis on residential development results in the largest increase in Central District housing but the lowest employment increase. It provides the greatest number of public-assisted housing units, both new and rehabilitated, of all the presented alternatives.

A substantial number of landscape and park improvement projects would be made to help make downtown neighborhoods more inviting for new housing. All needed sewer and road improvements would be made, with the City paying for less of the costs than in the other two investment strategies.

By making no further effort to stimulate commercial development, this alternative would result in the least amount of new office, retail and hotel space. As a consequence, fewer jobs would be created.

Alternative A would also produce the lowest new tax-increment bonding ability, about 35% lower than in Alternative C, which emphasizes maximum commercial growth, and 21% lower than in Alternative B, which creates an equal blend of housing and commercial. It also generates the least amount of other City revenues such as sales, business licenses, hotel or utility users' taxes.



# Alternative B

Investment Strategy B establishes a goal of roughly equal spending for both housing and commercial development.

The City would make a series of investments to accelerate the rate of office absorption and development. Expenditures would be made in tenant attraction programs; parking garages; street improvements; and major streetscape enhancements. Including a total redesign of Broadway and City Hall Plaza. All of these attraction efforts would be aimed at increasing the rate of office absorption and development to 490,000 square feet between 1986-1990; 450,000 square feet between 1991-95; and 500,000 square feet between 1996-2000. This rate is faster than that assumed in the Alternative A but slower than the Commercial C.

A "Office Pivot" redevelopment project would be planned and implemented for a location on Broadway between 20th and 17th Streets. The purpose of this project is to draw some of the Lake Merritt office market toward City Center along the Broadway spine.

New public-assisted market rate housing projects would be created in the City Center West, City Center North and Chinatown areas. The housing program would also include purchase and rehabilitation of an older residential hotel for single room occupants and rental housing rehabilitation grants in exchange for rent stabilization agreements.

New or improved parks would be created in existing residential areas as well as in the Embarcadero area near Estuary Park. Such park improvements would help establish attractive new environments for housing.

A major new retail project, planned for the 1991-95 period, is one where Swan's Market would be purchased and rehabilitated as a specialty food and merchandise center. Tenants of Housewife's Market would be offered an exchange lease, with the right to purchase a condominium ownership, in the new market. The old Housewife's site would then be available for market-rate and affordable housing.

## Concept

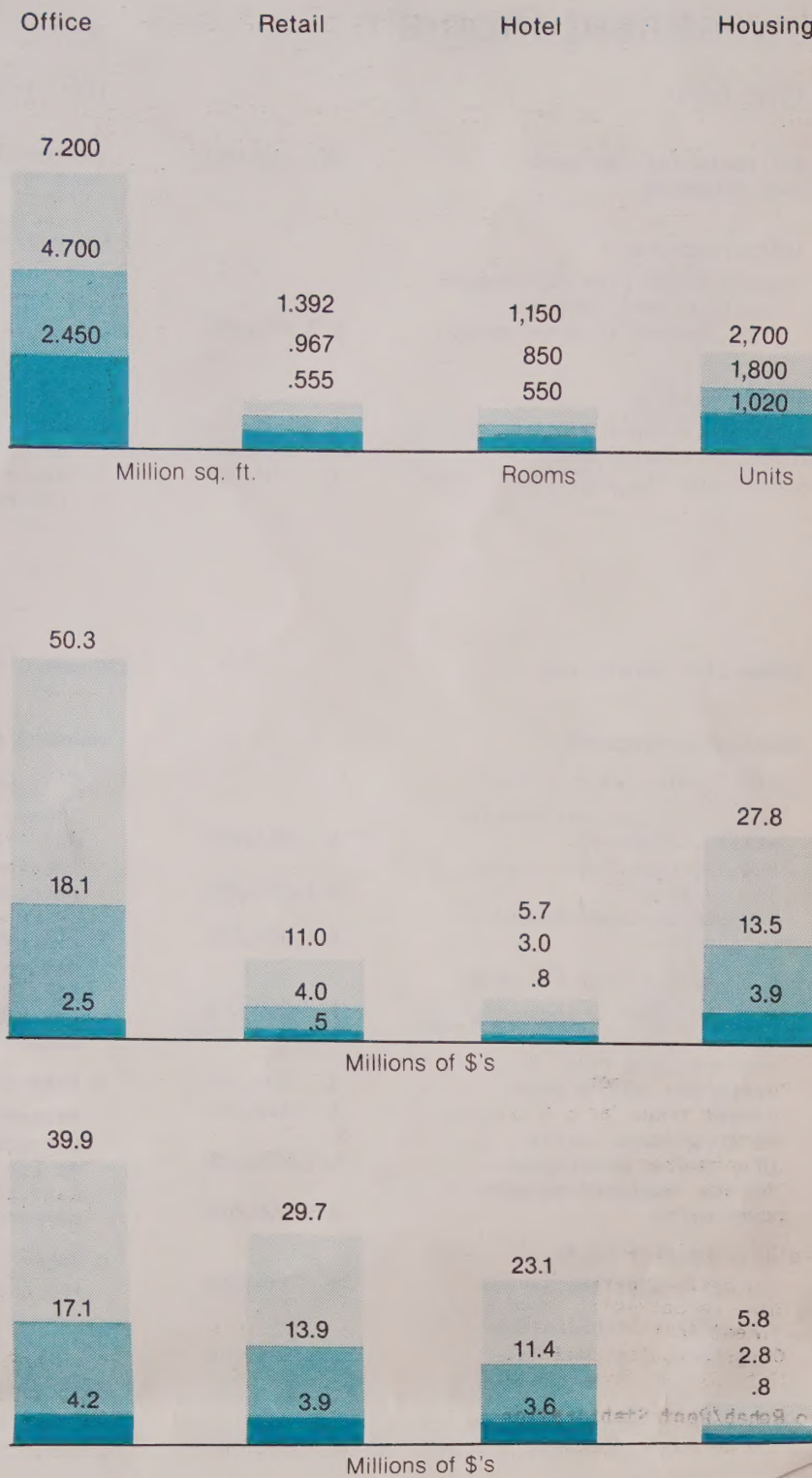


## Development Program

### Revenues

### Property Tax Generated

### Other Taxes Generated



## Supporting Actions

### Transportation

Develop parking programs that share commercial and residential parking demands.

Alter existing street network to return several local residential streets back to two-way and to concentrate commute traffic on streets that offer direct freeway access.

### School

Plan for the expansion of Lincoln School to accommodate children of people moving into the new housing.

### Housing Policy

Develop housing stock preservation or replacement policies for residential hotels and rental apartment units.

### Land Use & Historic Preservation

Amend the permitted uses and floor area ratios to provide a greater concentration of office-type uses in the Lake Merritt Office and City Center area and along Broadway between Grand Avenue and Highway 17.

Rezone sections of the City Center North, City Center West, Lake Merritt South and Old Chinatown areas to provide greater inducement for residential and to reduce the spread of high intensity commercial into existing residential areas. Zoning should be set at densities that are appropriate to the existing scale and character of established neighborhoods, particularly in and adjoining historic districts.

Rezone eastern sections of the Embarcadero area to low-intensity commercial/residential. Set floor area ratios or height limits that favor residential uses.

Amend permitted uses along Broadway to ensure highest level of pedestrian activity.

Develop sign and building appearance requirements for properties fronting Broadway.

Adopt design guidelines in areas that have buildings with high historic-architectural merit and that are subject to development change.

## Investment Program

### 1986-1990

Available Tax-Increment Bond Proceeds \$17,700,000

#### Infrastructure

o Sewer trunk line replacement (some contribution from commercial development) \$ 3,000,000

#### Transportation

o 11th/12th couplet (75% contribution from commercial development) \$ 363,000  
o Northgate Intersections \$ 3,000  
o Oak/Madison Couplet \$ 170,000  
o Harrison St. additional lanes \$ 60,000  
o Harrison one way to 20th \$ 140,000  
o Valdez Intersection \$ 75,000  
o Franklin two-way \$ 190,000  
o Parking garage, 300 spaces \$ 1,200,000

#### Commercial Incentives

o Tenant attraction  
Tenant targeting \$ 500,000  
Day care \$ 500,000  
o Streetscape Improvements  
Broadway rehab, 14th to Grand \$ 3,000,000  
Broadway gateways \$ 500,000

#### Housing Development

Neighborhood Park: Grove, 16 and 17th \$ 1,200,000  
Streets Trees \$ 427,000  
75 New assisted market-rate units \$ 3,000,000  
o City Center West & South  
Old Oakland park \$ 225,000  
Improve Lafayette Square \$ 100,000  
Street trees \$ 347,000  
60 Affordable units, City Center development \$ 1,200,000  
o Rehab/Rental Stabilization 100 units @ \$5,000 \$ 500,000

#### Community Benefits

o Labor force training \$ 1,000,000

### 1991-1995

Available Tax-Increment Bond Proceeds \$31,800,000

#### Infrastructure

- 0 -

#### Transportation

o Broadway, southern sections \$ 219,000  
o Return to two-way: 9th 10th, 13th, 15th, 16th \$ 990,000  
o Grand Avenue widening (75% contribution required from commercial development) \$ 640,000  
o Parking garage, 750 spaces \$ 3,000,000  
o Transit transfer facility \$ 5,500,000

#### Commercial Incentives

o Tenant Attraction  
Tenant targeting \$ 500,000  
Day care \$ 500,000  
o Streetscape Improvements  
Broadway rehab, 14th Street south \$ 3,000,000  
San Pablo, trees and gateway \$ 821,000  
Gateways, east/west streets \$ 500,000  
o Broadway Office Pivot Project \$ 4,000,000  
o Swan's/Housewives Retail project \$ 3,210,000

#### Housing Development

o City Center North, West & South  
Freeway landscape, screening \$ 260,000  
80 new assisted market-rate units \$ 3,200,000  
Street trees \$ 260,000  
60 new affordable units in City Center \$ 1,200,000  
50 new assisted market-rate units \$ 2,000,000  
o Rehab/Rental Stabilization 100 units @ \$5,000 \$ 500,000

#### Community Benefits

o Labor force training \$ 1,000,000  
o Community/minority equity participation in the Broadway Pivot Project \$ 500,000

### 1996-2000

Available Tax-Increment Bond Proceeds \$40,450,000

#### Infrastructure

- 0 -

#### Transportation

o Embarcadero widening \$ 710,000  
o Oak Street/Hwy 17 ramp improvements \$ 2,005,000  
o Jackson St/Hwy 17 access improvements \$ 230,000  
o Parking garage, 1100 spaces \$ 4,400,000  
o BART/AC Transit capacity improvements \$ 2,000,000

#### Commercial Incentives

o Tenant Attraction  
Tenant targeting \$ 500,000  
Day care \$ 500,000  
Transit Coordinator Enrichment events \$ 250,000  
o Street trees, pedestrian amenities: Telegraph and Grand \$ 800,000  
o City Hall Plaza rehab \$ 3,500,000

#### Housing Development

o City Center North and West  
Hwy 17/Jefferson gateway 125 new assisted market-rate and affordable units \$ 5,500,000  
Acquire/rehab residential hotel: 150 units \$ 3,788,000  
o City Center, Chinatown, and Lake Merritt South  
Enhance Harrison Square \$ 100,000  
Street trees \$ 1,312,000  
Hwy 17/Harrison gateway 125 new assisted market-rate and affordable units \$ 5,500,000  
o Embarcadero and Waterfront  
Pedestrian rail overpass \$ 1,000,000  
Landscape channel and waterfront promenade \$ 905,000  
100 new assisted market-rate units \$ 4,000,000  
o Rehab/Rental Stabilization 400 units @ \$5,000 \$ 2,000,000

#### Community Benefits

o Labor force training \$ 1,000,000

Alternative B assumes an increased growth rate of office, retail and hotel greater than that in Alternative A and more housing than in the Alternative C.

The most significant difference between this and Alternative C is that the Retail Center is excluded in order to have sufficient money for housing.

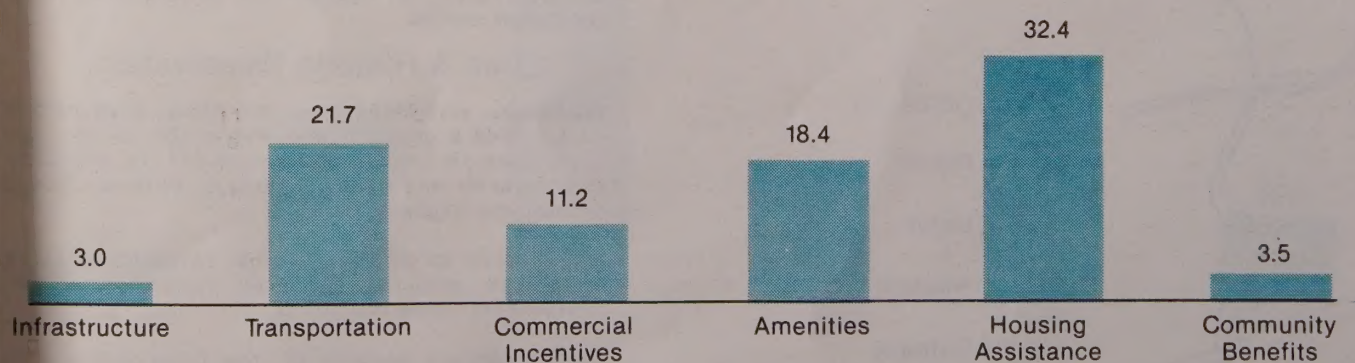
Alternative B results in 9,000 fewer jobs than Alternative C and 310 fewer assisted homes than in Alternative A.

This alternative generates \$89 million in tax increment bond proceeds and \$98 million on other taxes. Both of these figures fall between the amounts of tax sources generated in the other two alternatives.

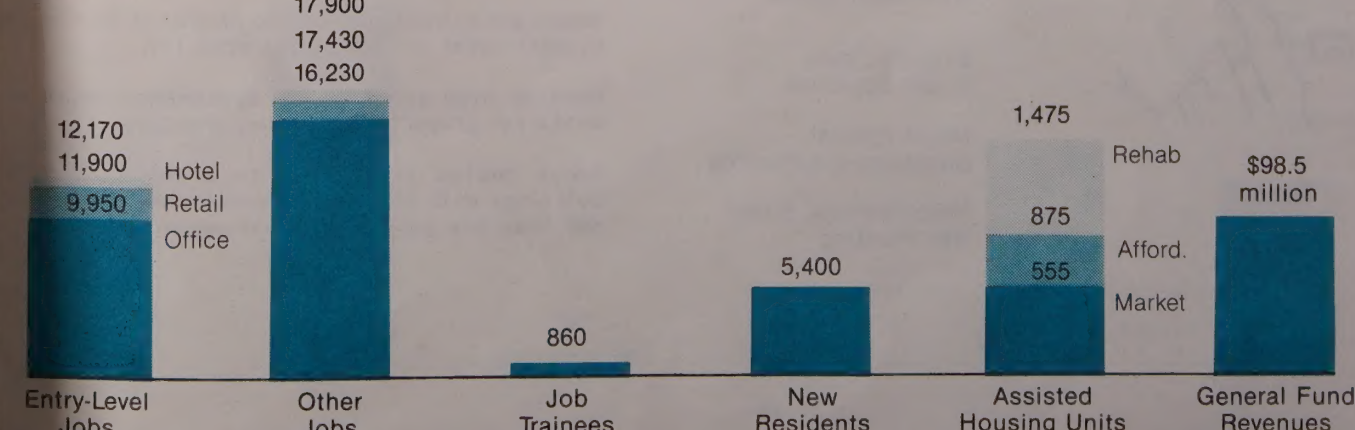
In short, Alternative B provides a short-term housing solution in exchange for the elimination of the Retail Center.

## Evaluation

Costs (Millions of \$'s)



### Benefits





## Alternative C

The goal of Investment Alternative C is to accelerate the rate of Central District commercial development. The strategy is to be achieved by initiating tenant attraction programs; offering financial inducements for new office and retail developments; and making sewer, parking, transit and streetscape improvements needed to provide a high quality environment for Central District businesses.

The single most important investment in this alternative is the Retail Center. The program calls for the funding of the Retail Center to start in the first five-year period (1986-90) and to be completed by the second (1991-95). Such scheduling is required in order to spread costs over the two phases because there is insufficient tax-increment revenue to complete the project during the first phase. The total City investment in the Retail Center is \$35 million, including \$2 million for community/minority equity participation in the project.

A tenant attraction program would provide tenant targeting, a demonstration day-care project, transit coordination and downtown enrichment events.

Due to the size of expenditures for other items, it is not possible to start making parking or transit investments until the second and third periods. Such improvements will be needed to meet the commuting needs of expanded employment in the Central District.

No public-initiated housing developments would occur until the 1996-2000 period. At that time, there would be sufficient revenues to start two housing projects and to rehabilitate a residential hotel. Several of these housing projects would be located in the vicinity of the Retail Center as a means of upgrading the area. Streetscape enhancements would also be made in the Embarcadero Area to help stimulate construction of private, market-rate housing in that section of the Central District.

The City would pay for a larger percentage of sewer and road improvements needed to support new office developments as an inducement to get the projects built at a quicker rate.

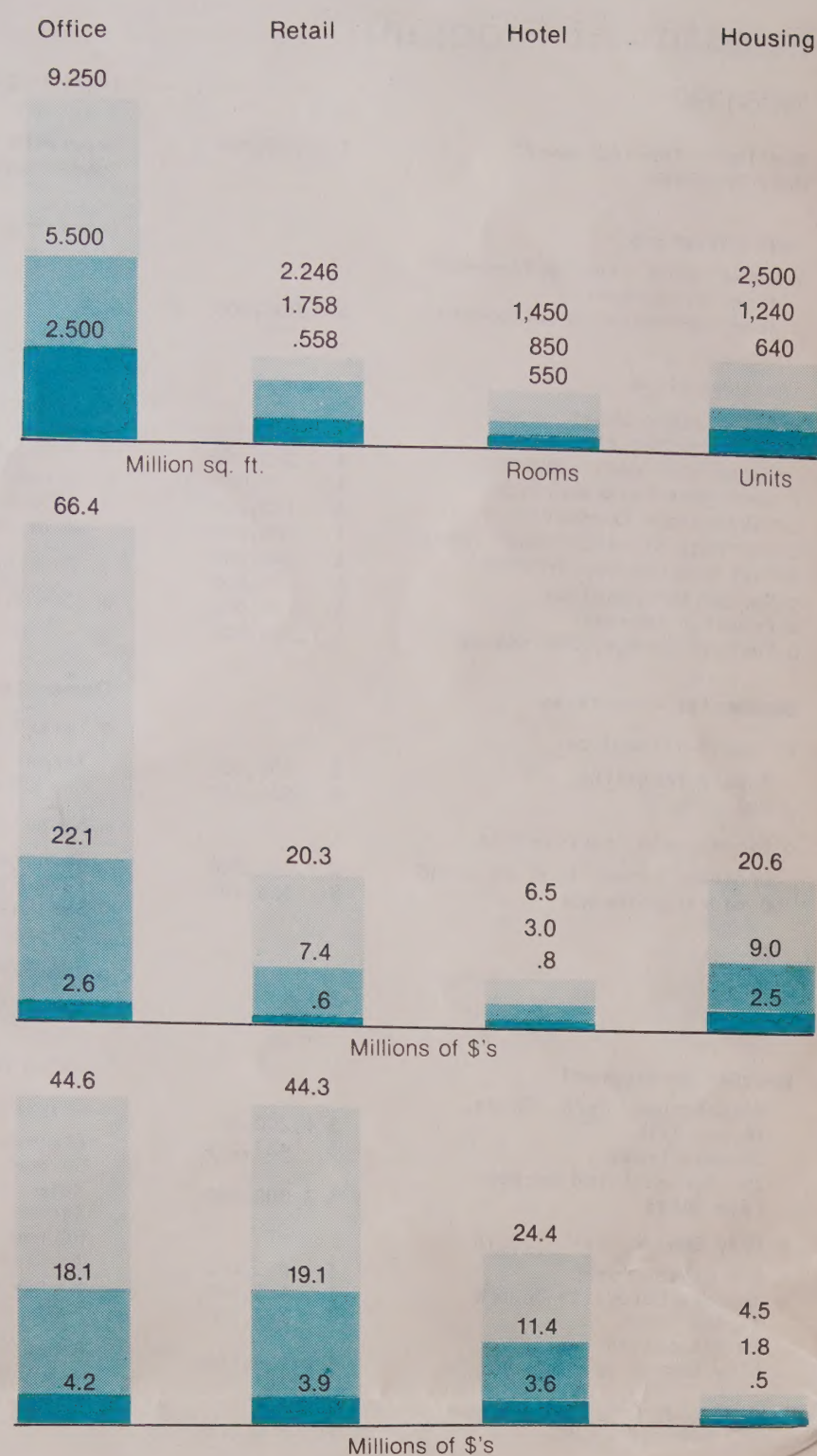
The Alternative C strategy assumes the fastest rate of office, retail and hotel absorption and development of all alternatives.

## Development Program

### Revenues

### Property Tax Generated

### Other Taxes Generated



## Supporting Actions

### Transportation

Develop parking programs that share commercial and residential parking demands.

Alter existing street network to return several local residential streets back to two-way and to concentrate commute traffic on streets that offer direct freeway access.

### School

Plan for the expansion of Lincoln School to accommodate children of people moving into the new housing.

### Housing Policy

Develop housing stock preservation or replacement policies for residential hotels and rental apartment units.

### Land Use & Historic Preservation

Amend the permitted uses and floor area ratios to provide a greater concentration of office-type uses in the Lake Merritt Office and City Center area and along Broadway between Grand Avenue and Highway 17.

Rezone area bordering the high intensity offices areas to provide greater incentives for residential development.

Rezone eastern section of the Embarcadero area to permit low-intensity commercial/residential.

Amend permitted uses along Broadway to ensure highest level of pedestrian activity.

Develop sign and building appearance requirements for properties fronting Broadway.

Adopt design guidelines in areas that have buildings with high historic-architectural merit and that are subject to development change.

## Investment Program

### 1986-1990

Available Tax-Increment Bond Proceeds \$16,350,000

#### Infrastructure

o Sewer trunk line replacement (some contribution from commercial development) \$4,000,000

#### Transportation

o 11th/12th couplet (50% contribution from commercial development) \$725,000  
o Northgate Intersections \$3,000  
o Oak/Madison Couplet \$170,000  
o Harrison St. additional lanes \$60,000  
o Harrison one way to 20th \$140,000  
o Valdez Intersection \$75,000

#### Commercial Incentives

o Tenant attraction  
o Tenant targeting \$500,000  
o Day care \$500,000  
o Transit coordinators \$250,000  
o Enrichment events \$250,000

#### Retail Center

o Land acquisition, planning relocation \$7,677,000

### Housing Development

- 0 -

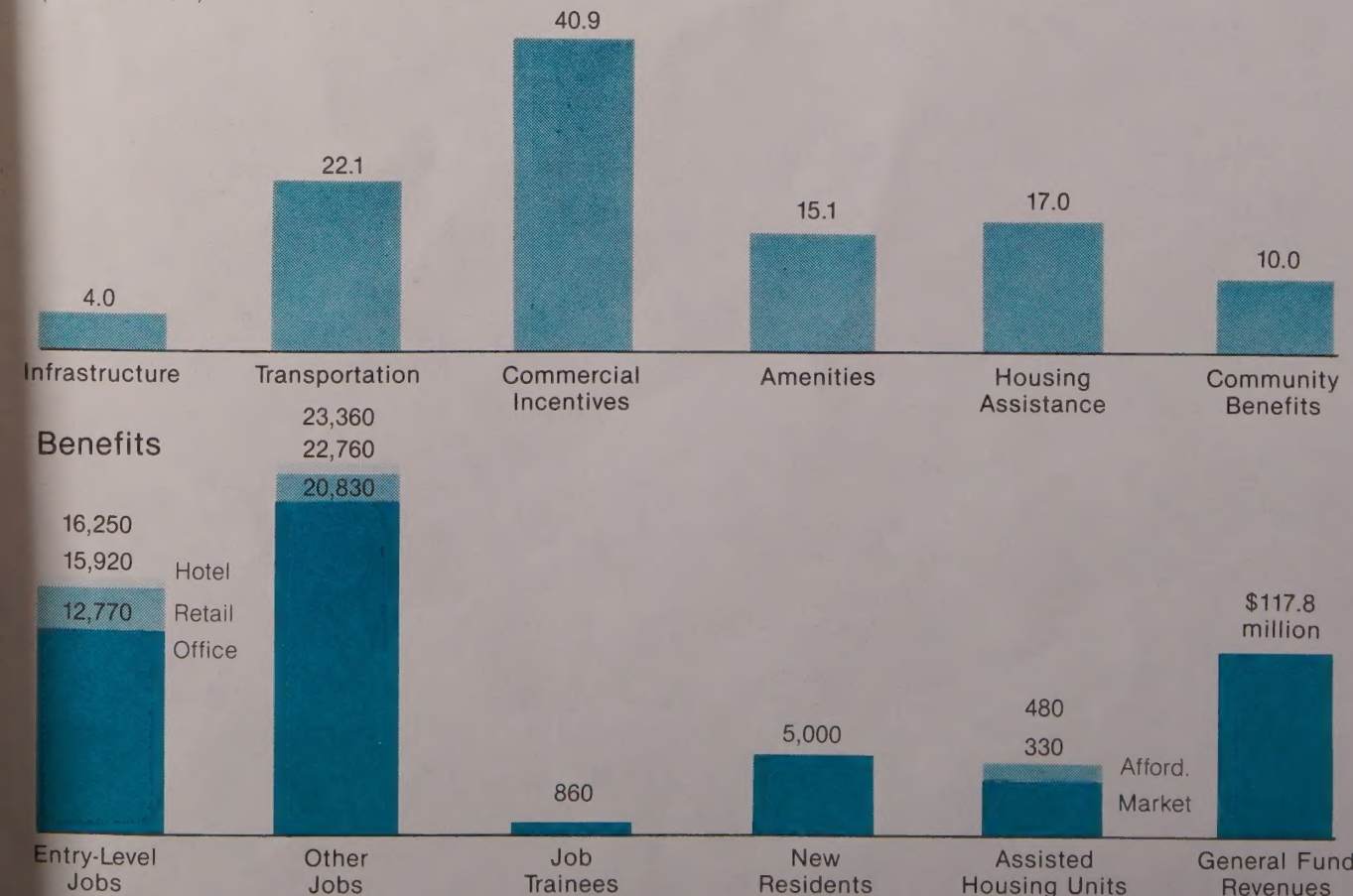
### Community Benefits

o Labor force training \$1,000,000

## Evaluation

### Costs

(Millions of \$'s)



### 1991-1995

Available Tax-Increment Bond Proceeds \$37,100,000

#### Infrastructure

- 0 -

#### Transportation

o Broadway, southern sections \$219,000  
o Realign 17th/18th Streets for Retail Center \$2,695,000  
o Grand Avenue widening (50% contribution required from commercial development) \$1,280,000  
o Parking garage, 500 spaces \$2,000,000

#### Commercial Incentives

o Tenant attraction  
o Tenant targeting \$500,000  
o Day care \$500,000  
o Transit Coordinator \$250,000  
o Enrichment events \$250,000

#### Streetscape Improvements

o Broadway rehab, 14th Street to Grand Avenue \$2,083,000

#### Retail Center, complete project

\$25,323,000

### Housing Development

- 0 -

### Community Benefits

o Labor force training \$1,000,000  
o Community/minority equity in the Retail Center Project \$1,000,000

### 1996-2000

Available Tax-Increment Bond Proceeds \$55,800,000

#### Infrastructure

- 0 -

#### Transportation

o Oak Street/Hwy 17 ramp improvements \$2,005,000  
o 9th Street, two-way \$690,000  
o Parking garage, 1000 spaces \$4,000,000  
o BART/AC Transit capacity improvements \$2,000,000  
o Transit transfer facility \$6,000,000

#### Commercial Incentives

o Tenant attraction  
o Tenant targeting \$500,000  
o Day care \$500,000  
o Transit Coordinator \$250,000  
o Enrichment events \$250,000

#### Swans/Housewives Retail project

\$3,400,000

#### Broadway rehab, 14th Street south

\$4,000,000

#### Broadway gateways

\$500,000

o Street trees, pedestrian amenities: San Pablo, Telegraph, 14th and Grand \$1,775,000

#### City Hall Plaza rehab

\$3,500,000

#### Housing Development

o City Center North and West 150 new assisted market-rate units \$6,000,000

o Acquire/rehab residential hotel: 150 units \$3,788,000

o Neighborhood Park: Grove at 16th/17th \$1,200,000

o Landscape 17th, 18th Gateway on San Pablo \$200,000

o City Center West and South Improve Lafayette and Jefferson Squares Street trees \$200,000

o Chinatown Enhance Harrison Square 180 new assisted market-rate units \$7,200,000

o Embarcadero and Waterfront Pedestrian rail overpass Landscape channel and waterfront promenade \$1,000,000

o Community Benefits Labor force training \$1,000,000

o Lincoln school expansion \$4,000,000

Investment Alternative C is designed to get the "biggest bang for the buck". It postpones investments in housing, streets and streetscape enhancements until later time periods in order to initiate the Retail Center. The intent of this strategy is to aggressively turn around the decline in Central District retailing, which in turn will help improve downtown's marketability to new office tenants.

This alternative results in the largest employment increase, including 33,000 office and 5,000 retail workers. A significant percentage of these new jobs would be in positions that require entry-to-middle level job skills.

Alternative C would provide 480 assist housing units, 33% fewer than that assumed in Alternative A.

The largest amount of tax-increment revenues are projected under this alternative. The estimated \$117 million in tax-increment supported bonds is substantially greater than the other two development strategies thereby providing a larger tax base for the Year 2000 and beyond. The completion of the Retail Center would also add significant new sales tax revenues. Revenues available from "Other Taxes" would be 20% greater than under Alternative B.

In summary, the Investment Alternative C provides the largest number of benefits, with the exception of housing. Whereas the housing investment could be postponed for the next ten years, the amount of money available for housing and other social needs could be greater after the ten year period than that provided by the other two alternatives.

## Concept



- Office
- Retail
- Hotel
- Housing
- Gateway
- New Open Space
- Existing Open Space Improved
- Major Arterial Streetscape & Planting
- Neighborhood Street Tree Planting



# Conclusion

The Important conclusions that can be reached by reviewing each of the alternatives are:

## Need for a Comprehensive Program

The selected Investment strategy must offer a comprehensive solution that includes expenditures in a number of needed improvements. The encouragement of more office or retail growth without first making improvements in faulty sewer pipes or traffic-congested intersections will only make current problems worst thereby affecting the City's ability to attract new employment or shoppers. Investment in employment training/placement programs can provide Oakland's residents with a direct link between their personal future and that of the downtown. Attractive and exciting new streetscape features and park improvements can help create the atmosphere whereby new housing and new commercial development can flourish. A strategy that substantially ignores such investments lessens the chance for success of the entire development program.

## Tough Choices

The City is faced with some hard decisions. There is not enough money, particularly in the short-term, to afford all things for all people. Heavy initial investment in housing could mean that major commercial components, such as the Retail Center, would be impossible. Creation of the Retail Center will mean that the City could get the best long-term benefits but at the expensive of short-term needs such as in housing or parking. A program that balances investments may be the best short-term compromise but may not result in the big boost that is needed to enable Oakland to grab a larger share of the Bay Area office and retail market. The choice between short-term versus long-term gains become the basic selection issue.

## New Revenues

All analyses were conducted assuming that there would be no increase in current taxes and no use of such methods as special assessments districts to pay for the various improvements. As indicated in the findings, there will not be sufficient tax increment funds to pay for all the suggested improvements, let alone other new desired downtown amenities which people may want added to the list. Efforts will be made in Phase III to define and recommend increases to fees/taxes or possible savings that could come from joint business/City partnerships if it is determined that the desired investment strategy requires additional revenues.

## Next Steps

Now is the time to re-read and study the findings of the Phase II report. You should recognize that the three alternatives represent a range of ways to develop the Central District development/management strategy. Consider the types of experiences you would like in the Central District -- opportunities for housing; for shopping; for employment; and for relaxation and entertainment. Recognize that those experiences can only happen if people can readily move about the downtown in transit or by car. Understand that the City has limited financial resources that have been reduced with cuts in state and federal programs. Then make a selection of an alternative that best fits your vision for the downtown or re-arrange the various components into a new development strategy.

The Phase II alternatives will be presented at a public meeting as well as at meetings of various downtown and groups. You are encouraged to attend this meeting, which will be announced shortly, and let your ideas be heard. It will also be discussed at meetings with the City Council and the City Council Select Committee for the Central District Development Program. Presentations will also be made to the Citizens Advisory Committee and Technical Advisory Committee of the CDDP.

Following the presentation and discussion of the Phase II Alternative, the CDDP consultants will proceed to develop the final Central District Development Program based on the response they receive from the City Council and community. The final program will contain selected improvements and development policies packaged with a set of specific methods for carrying out the plan. This final CDDP will then be presented to the City Council and community for their consideration, modification and eventual approval.

### Oakland City Council

Mayor Lionel Wilson  
Councilmember Aleata Cannon  
Councilmember Leo Bazile  
Councilmember Mary Moore  
Councilmember Frank Ogawa  
Councilmember Richard Spees  
Councilmember Marge Gibson  
Councilmember Wilson Riles, Jr.  
Councilmember Carter Gilmore

### CDDP Select Council Committee

Chairperson, Councilmember Aleata Cannon  
Councilmember Leo Bazile  
Councilmember Mary Moore  
Councilmember Frank Ogawa  
Bill Downing, President,  
Chamber of Commerce  
Walter Abernathy, Executive Director,  
Port of Oakland  
Henry Gardner, City Manager  
Norman Lind, Planning Director  
Terry Roberts, Public Works Director  
George Williams, Director, Oakland  
Economic Development and Employment

### CDDP Technical Advisory Committee

Norman Lind, Chairperson, Planning Department  
Walter Abernathy, Port of Oakland  
Captain James Cooper, Police Department  
Richard Digre, Finance Department  
Henry Gardner, City Manager  
Toni Hewlett, Office of Community Development  
Donald Larson, AC Transit  
John McCallum, Metropolitan Transportation  
Commission  
Irwin Mussen, Bay Area Air Quality  
Management District  
Barbara Neustadter, BART  
Terry Roberts, Public Work Department  
George Williams, Office of Economic  
Development and Employment

### CDDP Citizens Advisory Committee

Charles Stickney, Chairperson  
Jose Arce  
Marc Beyeler  
Fred Ernst  
Lynette Lee  
Chris Patillo  
Janet Roche  
Kermit Scott  
David Wendel  
Edward Wong

### CDDP Consultants

JA/WRT Associated  
100 Broadway, Suite 550  
Oakland, CA  
  
Jefferson Associates  
Wallace Roberts and Todd  
  
Keyser Marston Associates  
DKS Associates  
Meacham O'Brien  
Mundie & Associates  
Teresita Bautista  
Sally Woodbridge  
G. William Hunter & Associates